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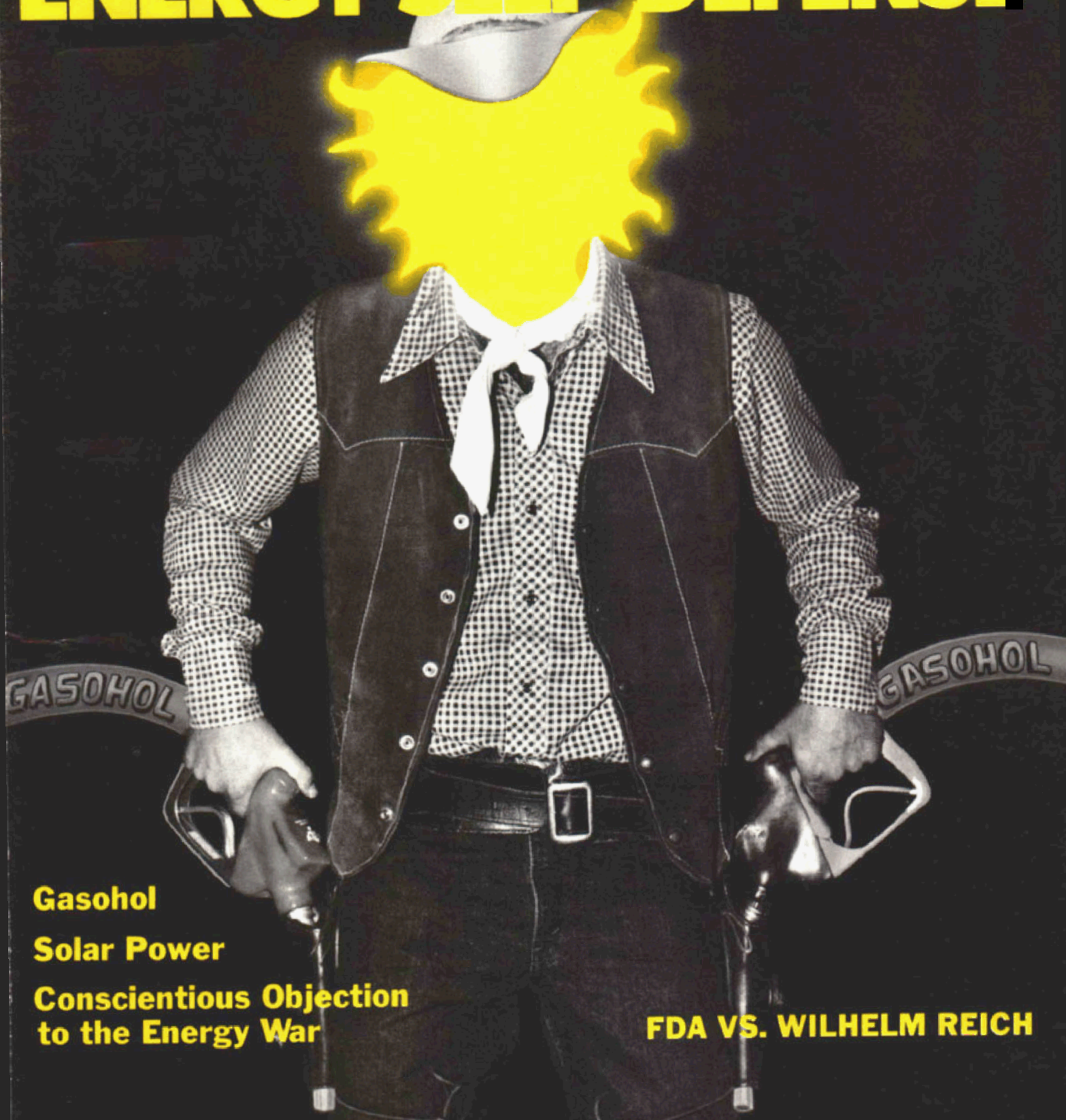

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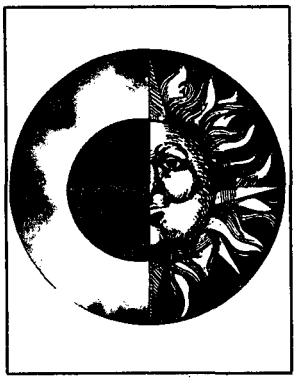
Energy solution 16



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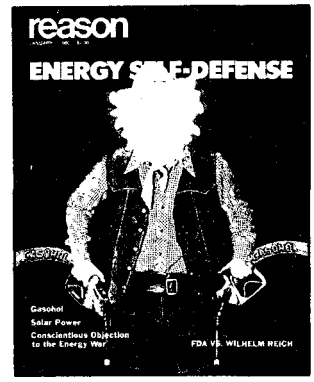

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GASOHOL: THE 10% SOLUTION

Get yourself some grain, add yeast, and start brewing. Mix the product with gasoline, and you have a decentralist recipe for fighting back at OPEC.

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editor's notes

• **MAKING NEWS.** Our November cover story on federal grants and the United Farm Workers union has created quite a stir. Syndicated columnist Nick Thimmesch devoted his October 25 column to the article, calling it a "first-rate piece of investigative reporting" and referring to REASON as "a little-known but valuable magazine published in Santa Barbara, California." After reviewing the many outrages documented in the article, Thimmesch concludes: "Most foundations pursuing the public interest would consider it a sacrilege to look into anything Cesar Chavez does. I imagine that if [author] Newman had gone, say, to the Fund for Investigative Journalism for a grant to pursue this story, she would have been laughed out of its offices. As it turned out, REASON paid her way and we can all be glad for it. Investigative journalism should be a tool, not a cause for those who only rake muck on one side of the street." The column appeared in 86 newspapers, including the *Chicago Tribune* and the *San Francisco Chronicle.*

Copies of the November issue were hand-delivered to every member of the US Senate and House of Representatives. Rep. Henry Hyde (R.-Ill.) has declared: "I am asking GAO for a complete audit investigation. It is outrageous that taxpayers' money is used for a union's purposes." NBC television signed author Patty Newman to a consulting contract, to help them prepare a story on the UFW and federal grants for their news magazine "Prime Time." And Newman and Cesar Chavez faced off on a 90-minute radio talk show on Chicago's WIND late in October.

Thus, the first project of the Reason Foundation's Investigative Journalism Fund has turned out to be quite successful. Contributions of $3,500 have been received thus far for this fund; our goal is to raise $12,500—enough to finance an ongoing program in hard-hitting, investigative reports. All contributions are tax-deductible.

Also, as a result of considerable demand, we have printed up a supply of reprints of the UFW article. They are available in quantities of 1-99 for 50 cents each, 100-499 for 40 cents each, 500-999 for 30 cents each, and 1,000 or more for 25 cents each. Write Reason Reprints, Box 40105, Santa Barbara, CA 93103, enclosing payment with your order.

• **NEW THINK TANK.** Europe is home to a new free-market-oriented think tank. Named the European Institute, it has been founded as a center for the study of issues relating to Europe's political and economic integration. Its initial brochure says it will be "dedicated to preserving and extending social and economic freedom" and that its "solutions will tend to opt for those which decrease government interventions and taxation." This is especially important, in view of the fact that there are several well-funded government research centers doing Common Market studies from an interventionist perspective.

A key organizer of the Institute is Michael van Notten, REASON's correspondent for the Netherlands. Its directors include Antony Fisher, president of England's pioneering Institute of Economic Affairs, and the advisory board includes Prof. Arthur Shenfield and Prof. Steven Littlechild, among others. The institute's inaugural meeting was held November 21. More information is available from van Notten at Avenue de la Joyeuse Entrée 1-5 (b20), B-1040 Brussels, Belgium.

• **MORE REPRINTS.** A number of REASON articles have been reprinted elsewhere in recent months. William Field and Donald Boudreaux's "The Cost of Conscription" (August) was entered into the *Congressional Record* by Congressman Ron Paul. Tom Hazlett's "Pleading Jim Jones' Case" (July) is to be reprinted in *Conservative Digest* this fall. And four older articles are being reprinted in textbooks. Tibor Machan's "Deregulation Is a Moral Issue" (March 1978) is being included in a political science anthology edited by Ellen F. Paul; Robert Poole's "Legislating Unemployment" (December 1977) will be included in the second edition of Academic Press's *Coursebook for Economics: Private and Public Choice.* And two articles on US drug laws from our January 1978 issue—Thomas Szasz's "Drug Prohibition" and Sheldon Richman's "Rockefeller's Draconian Drug Laws"—have been included in the Social Issues Resources Series volume on drugs, a collection of readings for high school and college classes.

—R. P.

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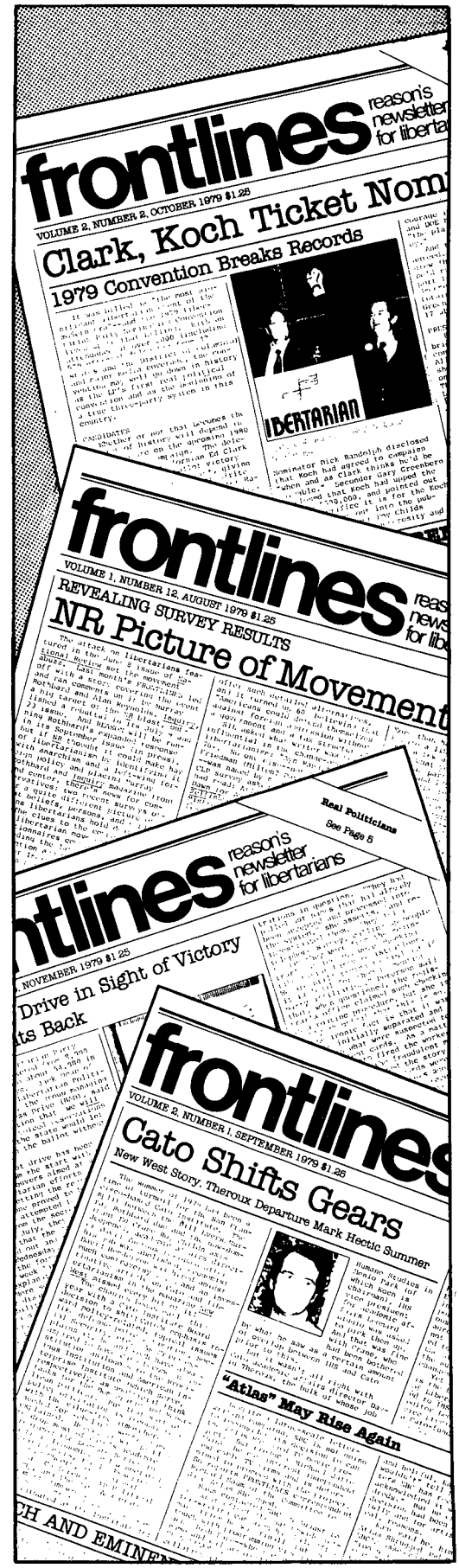

Space Piracy

editorial

EVERY SO OFTEN A NATION OR A CIVILIZATION reaches a turning point, a time when a fundamental decision must be made. Technology increasingly creates such situations, as it opens up hitherto undreamed-of possibilities.

In the first two decades of the 20th century the development of radio raised the issue of property rights in the electromagnetic frequency spectrum. Unfortunately, private property rights were denied and the spectrum was socialized, as people accepted the fallacy that "the airwaves belong to everyone." We are still paying the price for that unfortunate decision, in FCC bureaucracy and monopolistic networks.

In the 1960s the technology to exploit mineral resources on the deep seabed began to be developed, and once again a turning point was reached. This time, too, the idea of public ownership came to the fore. The seabed is the "common heritage of mankind," claimed the UN ambassador of Malta, and a United Nations dominated by collectivist ideas readily agreed. Ten years of Law of the Sea Conferences are close to yielding a treaty spelling out the sorry implications of this decision.

In 1980 the same sort of turning point has arrived for outerspace development. Readers of REASON's April 1979 issue on space privatization will have some idea of the very real possibilities on the horizon. The vast mineral wealth of the moon and the asteroids can provide material for the construction of solar power satellites, orbiting industrial facilities, and permanent space colonies. This many sound like the wildest science fiction, but the resources *are* there, the technology *is* available, and many of these projects are at least within sight of being commercially viable, if enough start-up capital can be raised.

Into this vision of tomorrow has stepped the United Nations. By the time you read this, the General Assembly will very likely have voted (with US support) to approve an "Agreement Governing the Activities of States on the Moon and Other Celestial Bodies," otherwise known as the Moon Treaty. Originated by the Soviet Union and backed enthusiastically by the Third World governments, the treaty is a virtual carbon copy of the deep-seabed provisions of the Law of the Sea treaty. In a word, the Moon Treaty would collectivize outer space.

More specifically, the treaty's provisions, which apply to all celestial bodies other than the earth, would do the following:

- prohibit all territorial claims by States, corporations, and individuals;
- prohibit private or governmental exploitation of the resources of any celestial body, except under rigid UN control;
- establish an international regime to carry out such resource exploitation;
- provide for "equitable distribution" of the results of such exploitation, taking special account of the needs of the developing nations; and
- transfer technology needed for resource exploitation from those developing it to the international regime.

The guiding principle of the entire treaty is the idea that outer space is the "common heritage of mankind"—that is, common (socialized) property. A few dreamers among US diplomats and the aerospace industry seem to think that the treaty's language is vague enough that it may not necessarily forbid all private space resource exploitation. But that view is nonsense, according to international law expert Leigh S. Ratiner, who served four years as the principal American negotiator for deep-seabed resources at the Law of the Sea Conferences. In testimony before the House space science subcommittee in September, Ratiner pointed out that the "common heritage" principles have been discussed so extensively during the seabed debates that the terms involved have all developed very clear-cut meanings.

By analogy, therefore, Ratiner thinks we can expect the space exploitation Authority to be controlled by a one-nation/one-vote assembly, whose decisions would be exempt from judicial review. Resource exploitation would be centrally planned and severely limited so as to protect Third World mineral producers. *All activities* (living and working in space?) having anything to do with resource exploitation would come under control of the Authority.

In socializing the vast frontier of outer space, the Moon Treaty would dash completely any hopes for significant private investment and development, thereby tremendously slowing down humanity's progress toward living and working in space. As the editor of *Omni* put it in a recent editorial (Nov. 1979): "No private enterprise will risk billions of dollars on a moon-based silicon factory if most of the world disputes its legal right to profit from that factory."

The Soviets and their Third World allies clearly seek the unearned. Having seen what Western technology has now made possible in space, they want to seize a controlling share (note the provision for mandatory technology transfer, not just for the "equitable" division of the proceeds). We're hardly even launched into space, and already the pirates are seeking to board and loot the ship!

Perhaps the most galling is that our own State Department has gone along with this outrage—and that Jimmy Carter is considered likely to sign the Moon Treaty! Fortunately, even if he does so, it cannot become law without Senate ratification. And that is where an aroused populace can save the day.

The L-5 Society has taken the lead in alerting the public, joined (thus far) by the American Astronautical Society and the editors of *Omni* and *Future Life*. The Aerospace Industries Association, the National Space Institute, and the Sunsat Energy Council seem likely to follow suit. Now is the time for all advocates of liberty and the free market to act: the Libertarian Party, the National Taxpayers Union, the Council for a Competitive Economy, and others should mobilize their members to defeat the Moon Treaty in the Senate. Industry associations, technical societies, conservative groups, and science fiction organizations should be pressured to do likewise.

Humanity stands at the threshold of space. Will we go forward to a bold new frontier, unleashing the entrepreneurial spirit of free men and women? Or will the promise of space be drowned in a sea of socialism? The choice may be up to you.

Robert Poole, Jr.

letters

Hazlett Adrift

I gather that the Brickbats column is supposed to be a place for satiric jibes at the follies of the world, but I truly do not understand the recent dig [Oct.] at the Coast Guard's methods of search-and-rescue.

Hazlett mentions the recently developed method of using pigeons to visually scan for the orange color of flotation vests, a task at which they are approximately twice as effective as human observers. For some reason, this method is presented as something trivial, useful only to rescue "drunken yachtsmen" and interesting only insofar as a comparison might be drawn between the intelligence of a pigeon and the mentalities of congresspersons.

If Hazlett thinks that the task of searching for persons lost at sea is really no more than a subject for cracking jokes, that is his privilege. However, if the time should come that he finds himself thrown overboard at sea in bad weather, or adrift in the aftermath of an airplane crash, I suspect he would be damned glad that pigeons, instead of human beings, were looking for him.

Mike Dunn
Federal Way, WA

Aggressive Smoking

I don't find Robert Ringer's discussion [Sept.] of smoking as a victimless crime entirely satisfactory. If another person smokes around me (whether tobacco or marijuana), I will be exposed to carcinogenic and psychoactive substances; if I do not consent to this exposure, then I am not just being "bothered"; I am being subjected to aggression, just as by any other form of air pollution. Ringer's reference to "privately owned establishments" does not dispose of this objection, in the absence of a theory of how much say an owner has in making coercive behavior allowable on his property. I suggest the following series of criteria:

1. On any property, private or governmental, if all those affected consent and the owner's use of the property is not interfered with, an otherwise coercive act is permissible.
2. On government property, smoking and other coercive behavior is otherwise impermissible; the government, whose business is preventing coercion, may not make acceptance of coercion a condition of using its property.
3. On private property access to which is by specific invitation only, the owner may set whatever rules he chooses.
4. On private property to which the general public has access, the owner may also set whatever rules he chooses but must specifically make sure that all those entering are aware of the rules (such as by posting announcements at entries—for example, he may allow smoking, but must post "smoking permitted" signs). If special rules are not announced, any coercive act gives grounds for legal action against the owner and also against the coercer.

Many smokers (not all) show a chronic disregard for the rights of nonsmokers to breathe unpolluted air. I, for one, have suffered throat and eye irritation, nausea, and headaches, not to mention the discomfort of being surrounded by foul odors, from such people; and I am nowhere near the upper limits of normal human sensitivity. I support the right of others to smoke, and I expect them to respect *my* rights to breathe clean air. The assumption by smokers of an *unconditional* right to smoke under any circumstances, and the knee-jerk defense of that claim in the name of freedom by some (not all) libertarians, reflect an insensitivity to the rights of nonsmokers such as myself, which I find both repugnant and illibertarian.

William H. Stoddard
Chula Vista, CA

Allowing Depreciation

Here's an idea for libertarians: Rather than fielding candidates (or sending sheep to slaughter), embrace the idea of James U. Blanchard, III (also the idea of J. Edgar Hoover): Set a number-one objective and spare no effort until it is completed.

For example, we are all being bled white by the fiction of "capital gains" that the taxing agencies hold as fact. (A truckload of sand will "appreciate" 100 percent in five years given a 12 percent money growth rate.) A "Truth in Capital Gains" law would factor the depreciation of the dollar *before* factoring the capital gains.

After we have shown leadership and success, the libertarians should come up with a *full* slate of candidates selected from the workers who completed the projects that gained the Libertarian Party fame and notoriety.

Robert Hawkins
Santa Barbara, CA

Recycled Crisis

This is to commend your editorial on energy and power [Sept.].

I was born in 1901. I first heard of the "energy crisis" in 1923: Dr. George Ashley, state geologist of Pennsylvania, gave a talk at Lehigh University in which he said that the oil and gas of our country would begin to taper off in about 25 years. He hit it right on the nose, since we first began to import oil in 1948. All

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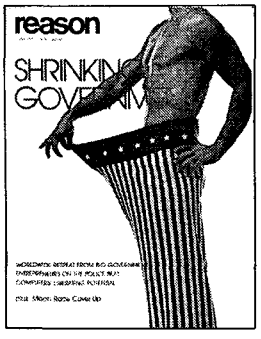

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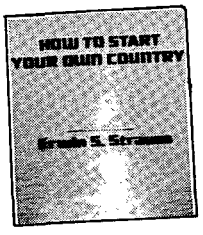

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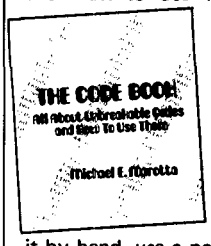

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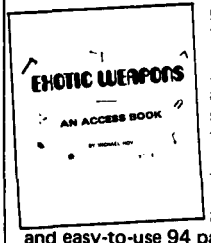

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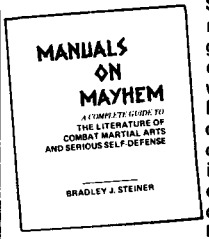

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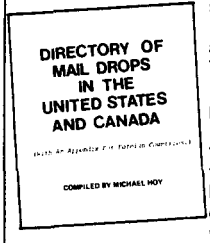

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during those years, I received the reports of the Bureau of Mines, telling what they were doing to gasify the western coal as well as extract oil from shale. I submit that if government had never meddled in the energy question we would have had oil and gas pouring out of our ears through existing lines, and the "energy crisis" would never have been heard of.

John E. Erb
Northville, NY

Let's Be Reasonable

In his Viewpoint column in October, James Dale Davidson advocates relating to certain other people by way of *fear*. I think there is a better way of relating to others—it's called reason.

R. A. Klein
Monterey Park, CA

"Price" Changes

Let me make a suggestion concerning your letter asking people to renew their subscriptions. You "apologize for having to raise prices," but REASON, of all people, should be more descriptive and accurate. You are *not* raising prices. You are simply accepting the fact that the government-controlled product called money has decreased in value.

If all price-change notices were stated in this manner, it would serve to emphasize that the fault is not the manufacturer nor the retailer who is doing the changing: it is the federal government. They and they alone have made it necessary to keep changing the numbers on the prices.

To put it another way: anybody who does not change the numbers on his prices is accepting an ever-reducing value for his product. The price I place on my product is simply a comparison of my value with that of the government-controlled product called money.

Everett DeJager
Cincinnati, OH

Devilish Addition

Re: *honest politician* in Lucifer's Lexicon by L. A. Rollins in the August issue. Another golden-oldie version is: "An honest politician is one who, once bought, stays bought."

J. D. Gonnan
Richmond, VA

brickbats

☐ **Another strike** has hit Great Britain. Workers are upset that company bosses have hauled down 40-75 percent pay boosts, while staff laborers have been tossed a meager 21 percent. What's more, the big-shot managers refuse to meet with the four striking unions except at the managers' convenience, leading outraged strikers to brand them "positively Dickensian." Put away that yawn, because this strike is against the British Labour Party, and the fat 75 percent payroll windfall went to union demigod James Callaghan. The workers, irate over management plans to lay off staffers and hand out generous bonuses to unorganized management personnel, have succeeded in slowing party operations so much that phone calls to headquarters are dismissed by a recorded message apologizing for "internal difficulties." The strikers' biggest problem, according to the *Christian Science Monitor*, is that they "are up against a management of seasoned union negotiators....The Party's 29 executive board members are affiliated with boilermakers, railwaymen, computer operators, seamen, and a broad range of British union labor."

☐ **Some things are so obvious** it disgusts. Take the recent FCC brainstorm report that "more TV stations may be needed to give viewers greater programming variety"—this from the very bureaucratic bunch that handed monopoly rents to the three major syndicates to begin with. But then look at why they might be willing to come out for more competition: "So long as one accepts the existence of three, and only three, networks operating at any given time, there will be severe limitations on the use of the regulatory process to alter the programs which viewers can watch," the well-funded study revealed.

☐ **Other things are so obvious** as to be not only disgusting but dangerous. So it was in Lincoln, Nebraska, where Erwin Charles Simants was acquitted, on the grounds of insanity, of shooting six family members to death and then sexually assaulting the female victims on October 18, 1975. Perhaps this particular crime should be entirely decriminalized: can one seriously suggest it ever being committed by a normal sort of fellow? Bring back the ayatollah!

☐ **From the "Sorry about that"** file of Don Adams comes word from the prolific Dixie demagogue George Wallace that he "was wrong" and those who lust for a return to segregation "ought to have their head examined." Wallace, who once ran his first wife for governor when he had played out his eligibility (she won) and later wiretapped his second wife's bedroom to guard against opportunistic Alabama state troopers, became nationally famous in 1963 for standing "in the schoolhouse door." The stance, which brought the three-term governor closer to an academic institution than he had ever previously ventured, was to prevent two young black taxpayers from joining their white brethren in pursuit of a college diploma. This radical move by the minority troublemakers prompted the one-time boxer to pledge "segregation forever" and allowed Wallace to claim in subsequent campaigns, quite correctly, that he was not one given to the obfuscation or "pussyfootin' " of more devious vote-getters. Yet now the perennial Democratic presidential aspirant meows: "I never intended that...the things I said would seem racist." He sheepishly concedes, "I was a little brash then." Is there no national hero worthy of our trust?

☐ **The national press corps** has gone into hysterics over increases in oil company profits for the third quarter of 1979—nearly as hysterical as they have become over Chrysler Motor's well-deserved losses. The eminent Tip O'Neal plunged so deeply into the cameras' spotlights as to pronounce the profits downright "sinful." This should prove a mighty blow to the petrol conglomerates, for if ever there was an expert on the question of sin, the shifty House Speaker is indubitably the one.

☐ **By the landslide vote of 81 to 15,** the US Senate maintained its high honor in the eyes of Americans everywhere by "denouncing" Georgia statesman Sen. Herman E. Talmadge for tainting that august body with "dishonor and disrepute." Strangely, Senator Talmadge's worldview must be quite unique, for he quickly thanked his colleagues and adjudged the condemnation "a personal victory " (one wonders what the man *feared*.) Talmadge, who managed to chisel the taxpayers out of $43,435 in false office expenses, forthrightly warbled, "I accept the committee's criticism because I believe that senators should be held to much higher standards than is commonplace." Eager Americans are now anxiously waiting to discover exactly how they may, if not currently in the US Senate, steal tens of thousands from the public treasury and not end up breaking bricks in a striped suit.

☐ **The John F. Kennedy Library** has been opened after long delays that seem fitting for such a public monument. Joseph Kennedy, III, the bright-eyed young son of the late Robert Kennedy, delivered a stinging dedication speech concerning the all-pervasive evils of great concentrations of wealth—a fear that his family has, when all is said and done, made an excellent case for being concerned with.

☐ **In a demonstration** of the realities of economic forces far beyond the comprehension of the FTC's antitrust division, 500 Lima, Peru, prostitutes have gone on strike, complaining that increased fee schedules will reduce the quantity demanded. The young lovelies have taken a walk on management, so to speak, and have set up picket lines outside their bordellos. Send your placard suggestions in care of REASON. (How about, "When prices go up, customers go down," or "More Bucks, Less ____"?)

☐ **And in the spirit** that made American labor unions the envy of workers 'round the world, negotiations betwixt six large motion picture studios and New York Local 644, a cameraman's union, were broken off when the union negotiator referred to the studios' representative as "you kike." The union hero, Walter Diehl, "let loose a string of expletives and threats at representatives of the individual companies and the industry's negotiator, culminating in referring to him as a kike." An apology was demanded but not forthcoming. The strike continued. Enlightened union leadership poured forth on the political front as well. In a brave attempt to steer our nation straight, union leadership has urged its members to "close ranks to defend the government from assaults by the cranks, the nuts, and reactionaries." W. Howard McClennan, chief executive officer of the client, AFL-CIO Public Employee Department, issued calls for his flock of two million to resist the inhuman attack of "ultra-right-wing outfits, tax-cut advocates, and other union enemies." Those "kikes" are everywhere!

—Thomas Winslow Hazlett

trends

Gold Remonetization

The continuing boom in gold is leading an increasing number of economists and monetary authorities to think about the unthinkable: a return to gold-backed currency. Trial balloons for remonetization of gold are now appearing every few weeks. Among them:

- In September the *Wall Street Journal* reported that the 11-member International Monetary Advisory Board had issued a report suggesting a return to gold-backed money. Among the 11 members are National Bureau of Economic Research president Martin Feldstein, University of Southern California economist Arthur Laffer, and several leading European bankers.
- All through October *Business Week* kept quoting European bankers who pointed out that US efforts to *de*monetize gold have failed miserably.
- The November 5 *Fortune* carried a major article by Martin Mayer (author of *The Bankers*) making the case that paper money has failed and the world economy needs to return to gold.
- Economist Laffer has taken the case to the public in a major article in the *Los Angeles Times*. Among other points, Laffer cited the price stability enjoyed by Great Britain for more than 200 years (from 1718 to 1930) while it was on a gold standard, compared to soaring inflation ever since.

Besides all this talk, transactions in the world economy increasingly point to a central role for gold. The French government is doing a booming business in bonds indexed to gold—the Giscard bonds. The pooled reserve fund of the new European Monetary System includes some $30 billion in gold, about two-thirds of its total. Singapore's is the only central bank officially in the gold market these days. But unofficially, according to both Mayer and *Business Week*, quite a number of other central banks are involved; among the suspected buyers are Saudi Arabia, Brazil, Argentina, and Japan.

What is absolutely beyond question is that *no* central banks other than the US Treasury are *selling* their gold. As Mayer points out, this is simply an international application of Gresham's Law:

> *Whatever the new rules are at the* IMF, *the world's monetary authorities want to keep gold as the convincing reserve behind their currencies—as the "good" money that everyone will accept in a crunch. And if the governments don't trust each other's paper, the world's private hoarders are unlikely to disgorge their gold.*

Hasn't the US Treasury disposed of too much of its gold hoard to consider remonetization? Hardly. Since Nixon closed the gold window in 1971, US gold reserves have declined by only eight percent. But their *value* has soared from $10 billion to over $90 billion during those same years. That's within hailing distance of the $140 billion in dollar holdings by foreign governments.

In view of all these developments, it seems to be only a matter of time until the details are worked out to restore some form of gold backing. Even Jimmy Carter seems inclined to agree. Asked about remonetization at a recent news conference, the president first said he doubted that it's a prospect but then quickly added, "Certainly not for this year."

Tax Revolt, International

The spirit of Proposition 13 is catching on in both West Germany and Great Britain. Or at least that's the hope of the organizers of new tax-revolt groups in both countries.

The German group is the six-month-old Citizens Party, founded by ex-tax-collector Hermann Fredersdorf. According to the *New York Times*, Fredersdorf hopes to do for his country what Howard Jarvis did for California. In the past decade German taxation has increased from 34 percent of earned income to a whopping 46 percent. As a result, resistance to taxes has become a solid political issue. A nationwide poll in 1978 showed 55 percent of the population willing to consider tax evasion. Fredersdorf's party hopes to take advantage of this new antitax sentiment. Its platform is based on less taxation, less bureaucracy, and more individual freedom, earning the label "liberal" in the classical (libertarian) sense.

Meanwhile, CUT, Britain's fledgling taxpayers' union (see Trends, Sept. 1979, p. 18) recently brought Howard Jarvis to speak in London. Jarvis wowed his Islington borough audience with the economic effects of Proposition 13 in California: 560,000 new jobs in the private sector, 25,000 fewer in the public sector. The news media ignored the speech, but it roused CUT's members to do the unprecedented: they are asking for a referendum on the scheduled 32 percent increase in local property taxes (the third major increase in three years). If the government grants the request, it will set an important precedent for the future, signaling the end of unquestioned government growth. If it turns CUT down, of course, the government will only add fuel to the fire of what could turn out to be a full-fledged British tax revolt.

Air Deregulation Benefits

On November 1, airline deregulation celebrated its first anniversary. What have been the results of this new competitive freedom?

To begin with, there has been a considerable expansion of service. Routes formerly served by one or two carriers often have five or six today. (A large fraction of new route awards have not yet led to actual airline service, because of shortages of both fuel and aircraft.) Some smaller cities, where service by large carriers was uneconomical, have experienced cutbacks, but in nearly every case commuter airlines have stepped into the breach. Commuter lines are growing by leaps and bounds as a direct result of deregulation.

Now that entry to the industry is no longer controlled, there have been changes in its composition. Former intrastate lines—PSA, Air California, Air Florida, and Southwest—have quickly branched out across state lines. Regional carriers have added new longer-range routes, with Allegheny changing its name to USAir (to reflect its larger market) and North Central merging with Southern to become Republic Airlines. Pan Am is merging with National, to acquire domestic routes so long denied it under CAB regulation. And one wholly new airline made its debut in November—Midway Airlines, based at Chicago's little-used Midway Airport and offering service initially to Cleveland, Detroit, and Kansas City with three DC-9s.

What about prices? Has all that new competition really led to lower prices? It turns out that despite rising fuel and labor costs and some increases in basic fare levels, the average price paid by air travelers has, in fact, decreased. In August 1977 the average US airline pas-

senger paid 8.11 cents per mile; in August 1979 the corresponding figure was only 7.97 cents—a 1.7 percent decrease, in current-dollar terms. But once the effects of two years of inflation are factored in, the *real* decrease is more like *22 percent*, despite soaring fuel costs. So by that measure, too, deregulation must be counted a success.

Even environmentalists have something to cheer about. Because of increased load factors caused by price competition (that is, a higher percentage of seats filled, meaning fewer flights with loads of empty seats), the amount of fuel consumed by the airlines will be 22 percent less by 1981 compared with what it would have been had regulation continued. So concluded the CAB's recently released environmental impact statement on deregulation.

1929 Revisionism

What caused the stock market crash 50 years ago, initiating the Great Depression? For years, Keynesian economists have told us that there was insufficient purchasing power among consumers and that government had to assume a major role in the economy, stimulating demand to ensure that all production could be purchased. Monetarist economists have argued that too much money prior to the crash and too little afterwards was the chief culprit—and urged government to manage the money supply more wisely. And many commentators blamed the crash on excessive speculation, lending support to government interventions to control the operation of stock and commodity markets.

What if all these explanations are wrong? If that were the case, many of the props would be cut from under the vast government structure created in the wake of the crash and the depression. But *could* they all be wrong?

Economic analyst Jude Wanniski thinks they *are* all wrong. And in a recent *Wall Street Journal* commentary he presented his alternate explanation. The key to it is the theory of "efficient markets" —that transactions in the marketplace reflect new information nearly instantaneously, showing up in changes in prices.

Wanniski's theory is that news of the imminent passage of the Smoot-Hawley Tariff and anticipation of its disastrous effects on world trade and commerce directly precipitated the crash. The tariff —a huge increase in duties on 20,000 commodities—was virtually certain to lead to retaliation by other governments. And Wanniski believes stock market traders could foresee these effects. He chronicles the slide in the Dow Jones Index during September and October of 1929 as it became more and more certain that the bill would pass. The market decline continued for three years, bottoming out at a DJI of 41, only reversing at the time of FDR's nomination in 1932—on an antitariff platform.

While Wanniski's theory is not proven, he points out that it is the one explanation that accounts for the fact that stock markets crashed around the globe, not just in the United States. Moreover, it is consistent with the classical economic view, summed up in Say's Law, that "supply creates its own demand," that is, that there is no need for government to stimulate demand, since markets do this quite well if they're left free to create supply—free, that is, of such interventions as tariff walls.

Exchange Controls Axed

In another step toward increased economic freedom, the government of Margaret Thatcher has abolished Britain's World War II-era exchange controls. Chancellor of the Exchequer Sir Geoffrey Howe told Parliament: "There will from tomorrow be full freedom to buy, retain, and use foreign currency for travel, gifts, and loans to nonresidents, buying property overseas, and investments in all foreign currency securities. Portfolio investments will be wholly freed and the foreign currency securities need no longer be deposited with an authorized depository."

REASON correspondent Antony Flew reports from London that the inspiration for this move was a 1979 monograph from the free-market think tank Institute for Economic Affairs—*Exchange Controls for Ever?* written by Robert Miller and John Wood. Once again, we are seeing the power of ideas to change the world.

South African Progress

The last few months have seen an acceleration of the South African government's attempt to dismantle portions of apartheid. While the structure itself remains standing (the pass laws, for example, have even been strengthened), more and more of its bricks are being removed, under the one-year-old government of Prime Minister Pieter W. Botha.

Early in 1979 the government made important changes concerning the townships where urban blacks live. Residents are now allowed to hold 99-year leases on their homes, rather than simply renting them—and may soon be allowed outright ownership. Previous restrictions against commercial developments in the townships have been abolished, allowing stores and shopping centers to be built. The result will be the evolution of places like Soweto from giant housing projects into full-fledged communities.

In addition, nearly all of the white-only restrictions on jobs have been eliminated, largely prompted by a massive shortage of skilled labor. Since 1971 the number of Asians and Coloureds employed in professional and technical fields has grown by 71 percent; black employment in those fields, by 49 percent. And "petty apartheid" continues to be dismantled. Theaters, hotels, and restaurants are now free to become "multiracial," and "white only" signs have been removed from many public facilities like airport restrooms and Capetown buses. Multiracial team sports continue to expand.

But the most important changes have occurred in the past few months. Botha's government in October announced that from then on all black workers would have full union rights, the same as whites. Until then, only blacks classified as "permanent residents" could join unions; that excluded the two million from the tribal homelands who work in urban areas.

The next day Botha caused a sensation by announcing that the government would consider changing the Mixed Marriages Act and the Immorality Act, which prohibit marriage and sexual relationships between people of different races. Leaders of the Dutch Reformed and Methodist Churches hailed the news, as did leaders of the opposition Progressive Federal Party. "Those acts are among the foundations of apartheid," said PFP leader Kowie Marais. "If he is serious about scrapping them, the PFP will applaud it as a step in the right direction." Marais pointed out that similar laws were abolished several years ago in Namibia "without the sky falling."

The government has given early retirement to its chief censor, J. H. Snyman, whose policies were proving to be an embarrassment to Botha's government. (Snyman was responsible some years ago for banning the children's book *Black Beauty*.) And the government, on appeal from a censorship decision, lifted the ban on Nadine Gordimer's new novel *Burger's Daughter*. The country's leading English-language newspaper, *The Rand Daily Mail*, had made the ban moot by publishing the full 3,000-word text of the decision banning the book, complete with quotations of all the "offensive" passages.

Finally, the government is also studying changes in the country's political structure. To begin with, it is considering expansion of the tribal homelands to

make them more viable, economically and politically. A commission under Minister of Cooperation and Development Piet Koornhof is studying a federal structure in which not only Asians and Coloureds but also urban blacks from the townships would be represented. This would reverse the present policy in which township blacks are considered citizens of distant homelands that many have never even seen.

These changes are not coming easily. Botha's National Party was rebuffed at the polls in special elections early in October, as conservative voters stayed home in droves and those who did vote cut the party's winning margin by half, compared with the 1977 general elections. Nevertheless, Botha's policy of "adapt or die" seems to be unshakable, boding well for the future of liberty in South Africa.

Free-Market Energy Solution

Yet another study on the energy crisis has concluded that a return to the free market offers the best hope for solving our problems. This time it's a Ford Foundation study, carried out by a 19-member task force assembled by Resources for the Future. Titled *Energy: The Next 20 Years*, it pulls no punches in its analysis and conclusions.

Declaring that the United States "is not running out of energy," it proposes rapid decontrol of oil prices *without* a windfall profits tax. The higher prices will spur both conservation and the search for alternative fuels, while higher profits will lead to expanded domestic oil exploration and production. Natural gas pricing should also be decontrolled, for the same reasons. In fact, says the study, decontrol of oil and gas, together with changes in electricity rate structures, is the most important action that can be taken to encourage conservation.

"In general, we say reduce the role of the government wherever you can," says Hans Lansberg, chairman of the task force. Which represents quite an about-face for a study funded by the Ford Foundation, which only a few years ago underwrote the 1971-74 Energy Policy Project that produced the notoriously wrong-headed study *A Time to Choose*.

Private School Victory

The North Carolina legislature has passed bills eradicating that state's control over private schools, and the court promptly strengthened the legislation. Faced with a legal battle between the Department of Public Instruction and private school groups resisting the department's enforcement of state rules on their schools, the North Carolina Supreme Court ruled that state control of private schools had already been decided by the legislature.

Some of the specific regulations pushed by the Department of Public Instruction would have required that:

- all private schools be approved by the State Board of Education before beginning operation;
- all teachers and the curriculum in private schools be approved by the DPI;
- private school classes run concurrently with the terms in public schools;
- attendance records be kept and reported to the state;
- instruction in private schools be "substantially the same" as in public schools;
- private schools participate in the state's student testing program;
- any schools not meeting state requirements be closed.

The new legislation dismisses all curriculum, teacher, attendance, and term requirements and substitutes the following requirements:

- Intent to start a school must be reported to the state school superintendent.
- Health, fire, and sanitation rules applicable to all public facilities must be met.
- Private schools must administer their own student testing programs.

With this victory under their belts, opponents of State power predict that the next battleground will concern home education. Inquiries on this subject increased from 2 to 30 in 1978, and the North Carolina attorney general has issued an opinion that parents do not have the right to educate their children at home. The question will probably end up in court, and if its action this time around is any indication, the North Carolina Supreme Court may give educational freedom another boost.

The FTC vs. the AMA

Concurring with a 1978 commission finding that the American Medical Association and its affiliates have engaged in a "conspiracy to restrain competition," the Federal Trade Commission late in 1979 ordered the AMA to lift all restrictions on doctors' advertising. The FTC ruling called the restriction a violation of federal antitrust law and further barred the AMA from taking disciplinary action against doctors who participate in health-maintenance organizations, which charge a set annual fee to patients and pay doctors a fixed salary.

The AMA responded with a press conference at which it roundly denounced the ruling and threatened to appeal the order to the federal courts. The powerful organization has a membership of about 200,000—53 percent of all the nation's physicians and 72 percent of office-based physicians—and seems disturbed by the free-market implications of the order.

FTC Commissioner David A. Clanton, in an accompanying opinion, wrote that "ethical principles of the medical profession have prevented doctors and medical organizations from disseminating information on the prices and services they offer, thus severely inhibiting competition among health-care providers." The AMA is specifically ordered not to interfere with the amount or form of compensation requested by doctors.

The new ruling, however, softened the 1978 recommendation that would have barred the AMA from regulating doctors' advertising for a period of two years. It now allows the organization to immediately adopt "reasonable ethical guidelines" for advertising.

Professionals are rapidly becoming the target of federal antitrust rulings. Witness the recent elimination of the ban on advertising by lawyers and the FTC attempt to end bans on eyeglass advertising. The FTC is now eyeing the AMA's control over such programs as Blue Shield, which may be a factor in large medical bills.

Refugees Hard at Work

According to a government survey, most of the 160,000 Vietnamese refugees who have relocated to the United States since May 1975 are self-supporting. More than half report monthly incomes of $800 or more.

Initially, some Americans feared that the refugees would end up on the public dole because of cultural and language differences. The refugees, however, quickly took low-paying jobs all over the country, and today 90 percent of their income is from wages and salaries. Even among those Vietnamese who can't speak English, 90 percent have found employment.

Cheaper Communications

After a monthly fee of $10, Sprint Ltd. will charge you only 49 cents for a 4½-minute call between Los Angeles and Reno between 5:00 PM and 8:00 AM—a charge that is 59 percent cheaper than the $1.22 the Bell System currently charges.

The Sprint service is being offered by SP Communications, a subsidiary of

Southern Pacific Transportation Co. Lower long-distance costs aren't new to the business community, but this is the first time residential consumers will have a chance to cut their long-distance phone bills. SPC says the service is available in 80 metropolitan areas and doesn't require any new wiring or equipment other than the regular push-tone telephone.

The service is a result of the current legal atmosphere that is looking benignly on telecommunications competition. Even President Carter, no fan of the free market, admitted that he will support telephone deregulation measures in Congress, saying new technology has invalidated the concept of telecommunications as "natural monopolies." Rep. Lionel van Deerlin, chairman of the House Communications Subcommittee, introduced a bill early last year calling for an overhaul of communications legislation, including the deregulation of television broadcasters, but it died for lack of congressional and industry support.

In a related development, the Federal Communications Commission tentatively agreed to provide the microwave frequencies requested by Xerox Corp. to set up a satellite communications network. Xerox's proposal would avoid using overloaded telephone lines for the local portions of the system, relying instead on a microwave network that could handle one quality page of text or graphics per second.

Who Owns the Airwaves, Continued

The *Wall Street Journal*, in an editorial lauding the Federal Communications Commission for lifting restrictions on cable and pay television, went one step further and called for the abolition of the "Fairness Doctrine" and of "equal-time" provision for election coverage as obsolete and counterproductive. The editorial noted that the proliferation of radio and television stations with the channel possibilities of UHF, cable, and satellite transmission offer a rich potential for lively debate *between* stations.

The Fairness Doctrine makes it impossible for any one station to take a controversial stand on an issue or politician, since it must either give valuable air time to present opposing views or risk losing its license. There are presently more than 8,000 radio stations all over the country struggling to sit on the "equal time" fence. Two proposals recently rejected by the FCC sought to concretize this nebulous provision by specifying how much time should be shared and on which issues.

In October 1979, however, the FCC did decide to stop requiring licenses for antennas to receive satellite transmissions of radio or television frequencies. At the time, there were 2,500 reception-only earth stations, with several hundred applicants on file. The delicensing will save applicants the usual $1,500 to $3,000 cost and the 90-day delay and will allow any size antenna to be built.

Denationalization Abroad

The philosophy of the free market seems to be gaining a new foothold in several socialized countries, including Canada, Great Britain, France, and Italy.

The most dramatic changes have been in Margaret Thatcher's new government in England (see Trends, Nov. 1979). *Business Week* reports that Thatcher places Nobel laureate free-market economist Friedrich Hayek's classic *Road to Serfdom* high on her list of required reading. Her key economic advisors are free-marketers from the Center for Policy Studies and the Institute for Economic Affairs. Hence, Britain's denationalization efforts proceed from a sound intellectual basis.

Closer to home, Canadian Prime Minister Joe Clark has gone ahead with his

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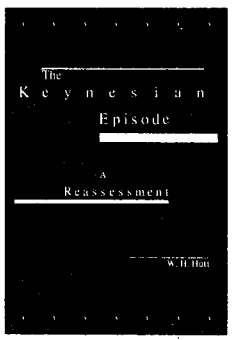

The Keynesian Episode

By W. H. Hutt

An unsparing reassessment of the dominant economic movement of our century. *The Keynesian Episode* looks back to tell us why Lord Keynes' economic doctrines had such great appeal among academics and politicians—with such disastrous results—and looks ahead to tell us how to restore a sound economy. Long a leading critic of Keynesianism, Professor Hutt first attempted to prepare a second edition of his 1963 book, *Keynesianism—Retrospect and Prospect*, but ended up with a new book. The result is a fresh masterpiece of economic history and analysis.

Born in 1899, W. H. Hutt graduated from the London School of Economics and based his academic career at the University of Cape Town. He is presently Distinguished Visiting Professor of Economics at the University of Dallas. Hardcover $10.00, Paperback $4.50.

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campaign platform to privatize a number of Canada's 400-plus government-owned companies, whose assets total over $28 billion. Latest reports say the Progressive Conservative government has earmarked nine companies for sale, with a new 10-person Privatization Task Force set up to work out the details.

Several provinces in Canada are independently coming to the same free-market conclusion about their finances. The Manitoba government sold off its interests in several concerns, and the British Columbia government conceived a distribution scheme for its privatization efforts that may be the model for the national government. It gave each eligible resident five shares in British Columbia Resources Investment Corp. and offered each resident up to 5,000 more common shares at $6 each. More than $367 million worth of stock was purchased—twice what was expected.

France and Italy are being much more cautious about denationalization and are hanging on to the concept of natural monopolies. Prime Minister Raymond Barre in France has moved toward cutting back government subsidies in electricity and transportation. He tried to decontrol bread prices two years ago but had to restore them to ease the bite of inflation. The new government is attempting to move capital away from inefficient industries into rapid-growth industries such as electronics, together with a gradual decontrol of industrial prices.

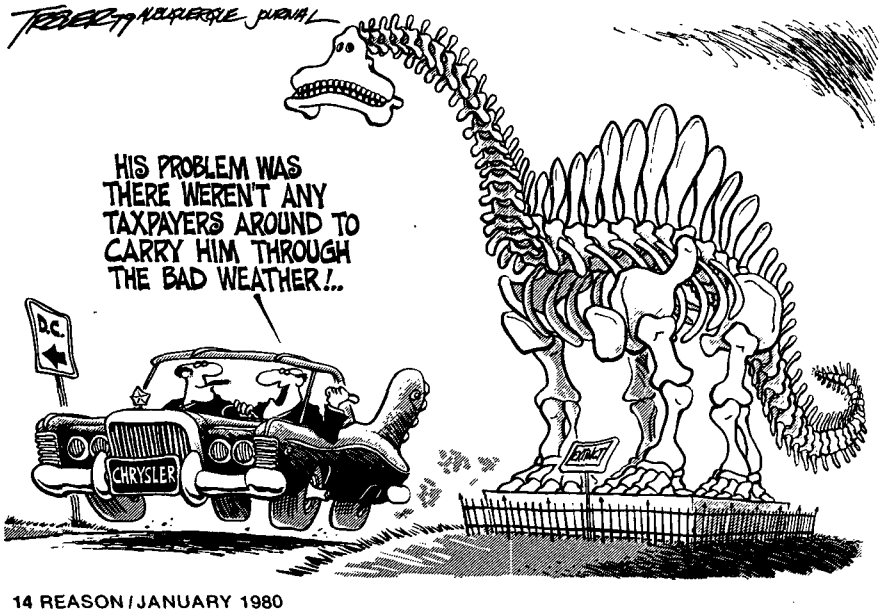
Even the socialist Italian government has decided to stop nationalizing ailing industries and to opt for less government intervention. The state holding company is looking for a buyer for the nationalized Alfa-Romeo automobile unit, which is losing money.

It all adds up to improved prospects for individual freedom—unless worsening inflation and unemployment intimidate irresolute and vulnerable politicians into backing off from a strong dose of free-market medicine.

Milestones

• *Minor OK.* A government-financed report on Britain's law making sexual relations illegal for persons under 16 has concluded that the law is now obsolete, as it fails to recognize consenting sexual relationships among the young. It further states that fear of prosecution causes young couples to shy away from contraception and to delay admitting pregnancy. "Adequate protection is given to young girls by the existing laws relating to criminal assault, sexual offenses," the report argues.

• *Legalizing Pot at Its Roots.* An influential group of Colombians is campaigning to legalize marijuana, a crop worth some $1.4 billion wholesale and grown by about 30,000 families in Colombia. Ernesto Samper Pizano, president of the National Association of Financial Institutions (a Colombian think tank), is leading the fight with an eight-month study on the effects of legalization. Colombia could have saved the $120 million spent last year suppressing the cultivation of marijuana, he says, and rid the country of the corruption and violence surrounding its illegal trade. Marijuana farmers, the study found, only get about eight percent of the earnings, with the bulk of the money going to middlemen and smugglers. Most Colombian business leaders support the legalization move. The Colombian government, naturally, opposes it.



• *Judge Backs Tax Resistance.* A recent decision by a federal judge in California could strengthen widespread resistance to a 1978 Labor Department's ruling requiring religious schools to participate in unemployment programs. Six states have risked decertification by refusing to collect such taxes, and another six have been sued by the Labor Department. In September, US District Court Judge Mariana Pfaelzer ruled that California cannot collect unemployment insurance or disability taxes from about 100 church-sponsored schools. It was the first time a federal judge ruled for the religious schools against the DOL.

• *Small Business vs. OSHA.* Mel Salwasser, owner of a small manufacturing plant in Reedley, California, refused to let a state safety inspector into his plant. The inspector left, came back with a search warrant, and was again refused admittance. A lower court decision imposed penalties on Salwasser for his actions, but the state court of appeals upheld Salwasser's appeal, stating that, since criminal penalties are involved, there must be a showing of cause that a violation exists before a warrant may be issued. The Salwasser ruling makes it even more difficult for government inspectors these days, after last year's Supreme Court ruling that warrants are required for federal OSHA inspections.

• *Tax-Limit Victories.* Tax limitation measures have been enacted by voters in California and Washington. California voters approved Paul Gann's Proposition 4 by a whopping three-to-one margin, while voters in the state of Washington passed a weaker spending limit by two-to-one.

• *Private Fire Department Suit.* The Georgia Supreme Court unanimously upheld the Hall County Board of Commissioners' decision to hire a private company to replace the county's 89-member fire department. But it didn't save the commissioners, who because of their decision have all been voted out of office in a recall election, even though it saved taxpayers $180,000 in its first year. Fire and ambulance services are being provided by the Georgia Rural/Metro Fire Department under a contract that began last March.

• *Olympics Aid.* City Controller Ira Reiner of Los Angeles, site of the 1984 Olympics, is running an initiative campaign to prevent the city from spending any funds—no matter the source—on the Olympic Games. This move resulted from LA Mayor Tom Bradley's request to the federal government for $141 mil-

lion to build new facilities and rehabilitate old ones, despite the opposition of LA residents. One poll, commissioned by Democratic Rep. Charles Wilson, showed a whopping 85 percent of those polled to be against the use of public money for the games.

• *OTRAG Update.* While OTRAG, the private space-launching company, still retains its holdings in Zaire, it is no longer allowed to launch rockets from that site. OTRAG plans to launch its next three test missions from a vessel at sea, while negotiating with six other nations concerning sites. In financial trouble, the company has managed to raise some $67 million from about 1,400 German investors.

• *Nuisance Tax Removed.* California Gov. Jerry Brown has signed legislation abolishing the property tax on inventories, which cost businesses $216.5 million in 1978 and spurred the growth of warehousing developments in Nevada and other surrounding states. The levy, with a March 1 assessment date, had been causing economic dislocation annually, as the 325,000 California businesses rushed to sell off or move their inventories out of state before the deadline.

• *ICC Opens up the Roads.* The Interstate Commerce Commission has adopted a new policy that views competition as beneficial rather than as necessitating protection of existing carriers. It dropped a 43-year-old requirement forcing an applicant for bus or truck operating rights to prove that the carriers already on the market couldn't perform the new service as well. The ICC, in a separate move, also released a staff study calling for major deregulation of intercity buses. It urges complete deregulation of both passenger and package rates.

• *Massachusetts Joins Revolt.* Of the 115 (out of 351) Massachusetts municipalities that have announced their property tax rates for the year ending June 1980, 76 have cut back their levies, 12 have maintained the same tax, and only 27 have increased taxes. Massachusetts Gov. Edward J. King predicts that 70 percent of the state's municipalities will reduce their property tax rates, with a significant number staying even. Massachusetts has long had the highest property taxes in the United States.

• *Chile's Trade Unions.* Chile's Labor Minister Jose Pinera has announced a new labor code that allows union elections through secret ballots, the right to strike for up to 60 days, and voluntary membership in labor organizations. It also strikes down the powerful Central Labor Federation and allows unions to be formed only by the employees of a company. Andres Zaldivar, president of the banned Christian Democratic Party, criticized the new code for aiming to establish in Chile "an extreme right-wing and individualist society incompatible with our culture and traditions."

• *Rental Rights.* An owner of apartments is well within his rights to refuse to rent to people with children. So ruled the California Court of Appeals, unanimously upholding a lower court ruling. "In the panoply of personal liberties guaranteed by our laws and our Constitution, none is more basic nor more essential to human survival than an infant's unfettered right to cry when it is hungry," wrote the court. "But in a court of law, that right stands on an equal footing with a landlord's right to the quiet enjoyment of his property. The Wolfsons' constitutional right to bear children does not encompass the right to raise them in plaintiff's apartment, against plaintiff's wishes, and in contravention of a covenant to which they themselves agreed."

—Robert Poole, Jr.

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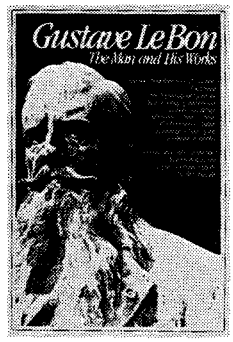

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GASOHOL:

THE 10% SOLUTION

Mixing alcohol and gasoline could help put the DOE out of business

by
Samuel L. Blumenfeld

WHEN JOHNNY CARSON started cracking jokes about gasohol last spring, you knew that the hybrid term had finally become a household word. Most people know by now that *gasohol* stands for a mixture of gasoline and alcohol. But actually, *Gasohol*, with a capital *G*, is a trademark standing for a specific blend of 90 percent unleaded gasoline and 10 percent anhydrous ethanol.

Anhydrous ethanol is 200-proof alcohol derived from a starch or sugar agricultural product such as corn, wheat, or sugar cane. It's the same 192-proof alcohol that goes into your vodka, only it's further dehydrated to make it 200-proof. That's drier than the world's driest martini. Why does it have to be that dry? Because too much water in the blend might cause separation, and gasoline usually has some water already in it from moisture in the air or careless storage. Actually, you could use 192-proof in gasohol without any problems, but the proponents of Gasohol insist on 200-proof just to be on the safe side.

FOOD FOR FUEL

Using alcohol as a fuel is nothing new. Henry Ford tried to build an alcohol fuel industry in the 1930s but simply could not compete with gasoline, which was so very cheap and plentiful. But today, with gasoline no longer cheap or plentiful, fuel alcohol has become more and more competitive, not only in terms of cost but also because it offers a good many social benefits. For individualists and survivalists, it offers the possibility of energy independence: it can be produced on a small scale by individual farmers or anyone else with a hankering to do so, and it can be used in any car, tractor, or oil heater with only minor adjustments.

The modern revival of interest in alcohol as a fuel began in 1971 when Sen. Loran Schmidt of the Nebraska legislature sponsored a bill establishing the Agricultural Products Industrial Utilization Committee (APIUC) to help fund research and development of a grain-alcohol-blended-fuel industry in cooperation with private enterprise. The purpose was to effect a marriage between the agricultural and fuel industries so that farmers, with their surpluses, could enter the fuel market. After all, food is the fuel that gives our bodies energy. Why not convert some of it for other energy needs, as well?

Once the APIUC was formed, it went to Dr. William A. Scheller of the University of Nebraska's Chemical Engineering Department for technical and scientific guidance. It was Dr. Scheller who coined the term *Gasohol*, which was registered as a trademark by the APIUC. Now, *gasohol* with a little *g* has come to stand for any mixture of gasoline and alcohol.

In Brazil, for example, where the government is supporting a large-scale program to develop fuel alcohol from sugar cane, the amount of alcohol in the gasohol is already more than 20 percent. The Brazilians, who presently must import more than 80 percent of their oil, want to become completely free of OPEC. Eventually they hope to have their cars run entirely on alcohol, and auto makers there are already producing the cars for it.

The 90/10 blend, however, can be used in any car without any adjustments. I used it in a 1978 Chevrolet Caprice that I rented at the Springfield, Illinois airport, and found that Gasohol performed better than unleaded gas alone. Gasohol gives you a peppier ride, increases mileage, and reduces pollution.

DOWN WITH POLLUTION

The burn characteristics of alcohol make it a highly desirable fuel for high-compression engines. That's why racing car drivers have been using the methanol variety of alcohol for years. Alcohol has a higher octane rating. The octane rating is a measure of a fuel's tendency to preignite in the combustion chamber before the spark plug fires. Low-octane fuel causes more preignition, more knocking, more possible damage to the engine. Alcohol, because it burns cooler than gasoline, has less tendency to preignite, giving it a higher octane rating. When mixed

with unleaded gasoline, it creates a premium fuel without the need for MMT—methylcyclopentadienal manganese tricarbonyl—an octane-boosting additive that is used in unleaded gas and has been found to be a pollutant and harmful in catalytic converters.

Another benefit is that when you mix ethanol with unleaded gasoline you get a considerable reduction in noxious emissions. A test to confirm this was conducted in New York City in the spring of 1978 by the *New York Daily News*. Using a 1977 Chevy Impala, the *News* used gasohol mixtures with 10 and 15 percent ethanol. At 10 percent ethanol, carbon monoxide emissions were cut 38 percent; at 15 percent ethanol, a dramatic 68 percent. The other exhaust pollutants—hydrocarbons and nitrogen oxides—were also reduced.

The *News* test prompted the Department of Energy to study the impact that gasohol would have on New York's air if 10 percent ethanol were used even just by late-model cars and taxis. The study resulted in estimates that carbon monoxide in the city air could be cut by 17 percent, hydrocarbons would drop 4.5 percent, and nitrogen oxides 0.5 percent. In addition, the study recognized the important social benefits that Americans would derive by using gasohol instead of straight gasoline.

The Department of Energy concluded: "It is principally in the area of social costs that the alcohol-blend approach to emissions reduction appears to have some advantage. In particular, it avoids the inconvenience, loss of personal freedom of movement and additional governmental control associated with new patterns of transportation... and thus sidesteps the trauma of change."

But the trauma of change is exactly what Jimmy Carter is determined to make Americans accept, whether they like it or not, by perpetuating an energy shortage created entirely by government policy. And now that we know what the Carter solution to the energy problem is—price controls, rationing, a windfall profits tax, synfuel development—we can understand why the DOE and the White House until very recently have given almost no encouragement to the development of agrifuels: because agrifuels would solve the "energy shortage" and make the case for government control of energy untenable.

UP WITH MILEAGE

Not only does gasohol reduce exhaust pollutants, but the consensus of its users is that it also gives better mileage. Some oil company spokesmen have challenged this claim, contending that since alcohol has less BTUs than gasoline, it couldn't possibly give better mileage. But it does.

In 1975 the University of Nebraska conducted a two-million mile road test using 45 Nebraska Department of Roads vehicles. Results showed an average 5 percent increase in mileage with gasohol. In Illinois a 90-day test conducted by the state's Department of Administration Services in the winter and spring of 1978 showed a net gain of 6.14 percent in miles per gallon with gasohol. And in a three-month test involving 15 vehicles, the Illinois Bell Telephone Company reported a 4.8 percent mileage increase with gasohol.

The reason for the better mileage is that when alcohol is added to gasoline it adds more oxygen to the mix, thus allowing the gasoline to do its job better. In addition, alcohol burns cooler and cleaner, thereby reducing heat and friction. Temperature under the hood is about 70 degrees cooler in a car using gasohol.

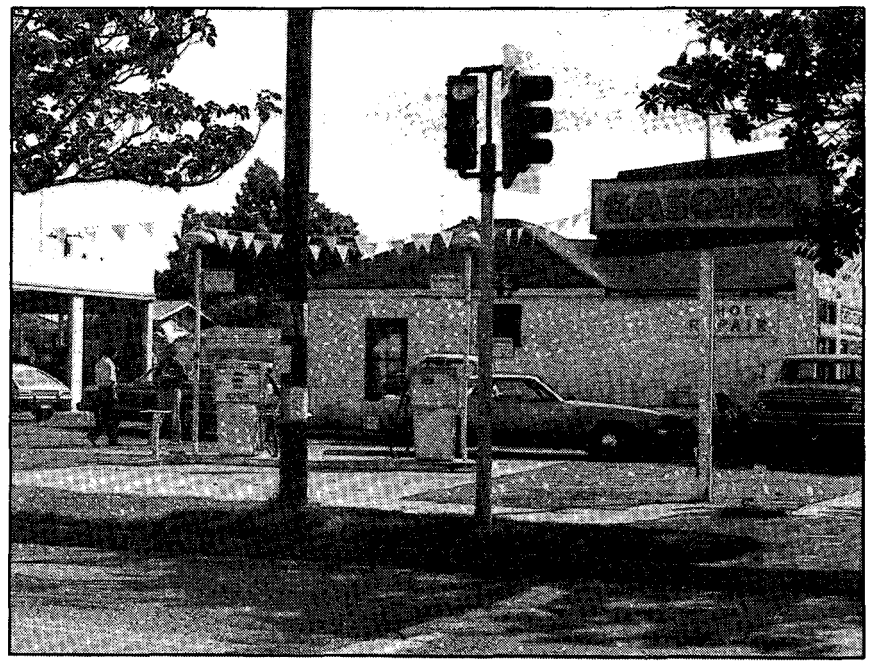
The average American car consumes more than 700 gallons of gasoline a year. By switching from gasoline to gasohol, one would be able to get about 500 more miles of driving on the same amount of fuel. Multiply this by the 100 million registered cars in the United States, and you'd get an extra 50 billion miles of driving using 10 percent *less* gasoline. If that isn't conservation of petroleum resources, what is?

The only problem with that kind of conservation is that it entails no sacrifice, and Jimmy Carter insists that Americans sacrifice something. When Carter called the energy crisis the "moral equivalent of war," he was doing so to elicit the same spirit of sacrifice that sends thousands of young men to their deaths, makes us give up our pleasures, and saddles the economy with governmental controls. That development of agricultural fuels would make none of this necessary may explain why Carter has shown so little interest in them.

AN ENERGY-OIL EQUATION

Meanwhile, the DOE has been putting most of its development funding into synfuel—the coal-into-gasoline conversion process—through cost-sharing contracts. It's already poured $240 million into Exxon's large-scale coal conversion plant in Baytown, Texas, and it is expected to help fund another large coal-liquefaction demonstration plant at Morgantown, West Virginia. Projections put its total cost at $700 million. The $24 million that the federal government plans to funnel into alcohol fuel research in 1980 serves as a measure of its interest in the gasohol alternative.

Some time ago, in anticipation of the coming oil squeeze, Exxon bought huge deposits of coal in Wyoming, Illinois, and West Virginia. In fact, just about every major oil company has plunged heavily into the coal-mining business. And now they want the federal government to invest about $70 billion in the coal-conversion process to make their shaky investments in coal pay off. While at least seven refiners—including Texaco, Cities Service, Amoco, and Phillips



—are now testing the waters with limited marketing of gasohol, it "still has not won enthusiastic support from the oil industry," according to a *Business Week* report. Said a Gulf Oil spokesman: "We're looking at gasohol, but we're more seriously considering coal technologies and oil shale."

Why is the government so infatuated with coal liquefaction? Probably because most of the DOE's top bureaucrats were recruited from the oil industry and have a fossil-fuel mind set. In addition, the energy industry in this country *is* the oil business. As yet, there is no agrifuel industry to speak of. Also, because coal liquefaction will cause as many problems (particularly environmental) as it will solve, the need for bureaucratic control of energy production will become self-perpetuating. The last thing the DOE wants to do is solve the energy problem and put itself out of business.

As for the oil companies, they have been against agrifuel because it threatens to break up the fossil-fuel monopoly that has dominated the energy business for so many decades. What the oil companies seem to fear most is the decentralization of liquid fuel production that agrifuel development will make possible. This opposition to alcohol, incidentally, goes back many decades and was always highly vocal whenever alcohol proponents tried to get Washington interested in fuel alcohol projects, as in World War II.

Recently, however, Congress authorized the US Department of Agriculture to provide $60 million in loan guarantees for four pilot alcohol production plants plus an additional $24 million for university research and development. Also, an amendment to the 1978 Energy Bill exempted agrifuel blends from the federal gasoline tax. Some states have also exempted gasohol from their state fuel taxes or sales taxes to encourage its development.

But even if the lawmakers mandated that the nation as a whole switch over to gasohol, it would take 500 plants, each producing 20 million gallons of alcohol a year, to supply present needs. At present there are only three plants in the entire United States producing 200-proof ethanol in any substantial quantity. So we are only at the beginning of the development of an agrifuel industry.

AGRIFUEL SELF-HELP

While agrifuel development has been getting some very modest help from the government, it really doesn't need it. OPEC price increases, the tight supply of crude oil, gasoline shortages, long pump lines, the threat of rationing and other market and social factors have been providing enough incentives for agrifuel development. Also, the ease with which alcohol can be produced on a small scale is one of the most attractive and exciting features of this particular energy alternative. Everyone knows that Kentucky moonshiners have been producing corn likker for generations, so the tradition of small-scale alcohol production is well established in America.

Already, research groups are forming to explore the possibilities of small-scale energy self-sufficiency based on alcohol production. One such group is the Domestic Technology Institute of Evergreen, Colorado, a private, nonprofit "research and training organization" that, according to its brochure, "specializes in domestic lifestyle alternatives and domestic solar energy technology."

The institute is utilizing "small-scale decentralized technology to encourage self-sufficiency on an individual, family and community basis." They have developed four basic small-scale alcohol plants. One of their concepts is to provide fuel alcohol and a marketable food or feed by-product to local farmers. Everything would be grown and distributed within a 15-mile radius of the plant: the crop from which the alcohol is produced, the fuel alcohol itself, and the by-product feed grain.

One of the by-products of alcohol production is distilled dried grains (DDGS), a high-protein residue that, when used as a cattle feed, is so nutritious that it increases beef cattle weight by more than 10 percent over cattle fed on feed grains alone. There are other possible uses of DDGS that could help alleviate the shortage of protein in the world. While they are not, in their present state, usable for human consumption, the University of Nebraska has found a way to extract from them an 80 percent protein powder that could be blended with other foods to supplement, at low cost, the protein-deficient diets of Third World populations.

From one bushel of corn, you get 2.6

ALCOHOL AND "ENERGY BALANCE"

Gasohol doesn't make sense, some critics charge, because it takes more energy to produce the alcohol than you get back by burning it as fuel. But even if this charge were true, it would be irrelevant.

The net-energy concept is fallacious—a modern-day analogue of the labor theory of value. What counts is not the amount of energy or labor or any other input. All that matters is whether the *cost* of production is less than or equal to what people are willing to pay for a product. If alcohol can be produced cheaply enough to be competitive, it will be produced, regardless of how much *energy* it takes to produce it.

But the argument is also wrong in its particulars. True, conventional distillation of grain to produce beverage-grade alcohol is an energy-intensive process that produces expensive alcohol. But processes under development promise substantial reductions in the amount of energy needed to produce alcohol:

- By using cellulose or cracked corn to absorb some of the water, Purdue University researchers have been able to cut the energy needed to recover dry alcohol from fermentation broths to about 10 percent of the alcohol's fuel value.
- Researchers at Arthur D. Little, Inc., have developed a proprietary solvent-extraction process to derive alcohol from fermentation beer, at an energy cost of 40-60 percent of the alcohol fuel value.
- Engineers at Raphael Katzen Associates in Cincinnati have designed a two-stage distillation process in which heat from the high-pressure step is reused for the low-pressure step. The process consumes energy equal to 65 percent of alcohol's fuel value.
- The ACR Process Corporation in Champaign, Illinois, substitutes gasoline for benzene in the final distillation step to remove water. Since the resulting alcohol is going to be mixed with gasoline later on anyway, there is no need to remove the gasoline and a purification step is eliminated. The total energy cost is 53 percent of the alcohol fuel value.
- Cetus Corporation, a pioneer in genetic engineering, is building a pilot plant in cooperation with National Distillers to produce alcohol by fermentation. Cetus has engineered a strain of yeast that is 30 percent more efficient than those now used to convert sugar to alcohol.

So market forces are hard at work making alcohol production more efficient—not because there must be a positive energy balance but simply to reduce the cost of production.

—R. P.

gallons of ethanol and 17 pounds of DDGs. A full gasohol program requiring 10 billion gallons of ethanol from 4 billion bushels of corn would yield about 31.5 million tons of DDGs annually. Some economists say we would not know what to do with so much of the stuff, but others see this bounty as a cheap way to feed the world with protein. That's just one of the social benefits an agrifuel industry would provide. But even on a small scale, the DDGs would be of great value to raisers of livestock.

One of the criticisms frequently leveled at fuel alcohol by oil people is that it takes more energy to produce it than what you get back in the fuel produced. But the Brazilian experience has conclusively demonstrated otherwise. Also, the American agrifuel industry itself is just at the beginning of its development, and engineers have scarcely begun to look for energy-saving techniques of production (see box). For example, it is possible to produce alcohol by means of a solar still. This is being done by a university-trained farmer in Minnesota, Lance Crombie, who has invented a simple solar still that almost anyone can put together.

SUNSHINE AND MOONSHINE

Crombie, who has a Ph.D. in microbiology from the University of Minnesota, first began experimenting with solar collectors in 1976 to reduce his heating bill. "At the same time," he says, "I had about 45,000 bushels of corn sitting out there in my bins. It was worth about $1.60 a bushel on the market, and—since it had cost me about $2.00 a bushel to grow—I wasn't about to sell the grain at that price. So, I put two and two together and decided to turn all that corn into alcohol. I figured that I could use the fuel to heat my house, run my tractors, and all that. There didn't seem to be much information available on alcohol stills per se, but I managed to find out a good bit about fermentation. I built a crude little solar still, whipped up a batch of mash, and was ready to go."

Crombie's original solar still looks like a window measuring three feet by four feet. It's about eight inches deep with two layers of styrofoam on the bottom covered by taut, thick, black plastic, which in turn is covered by a thick layer of black burlap. When in operation, the still is set at a tilt with the glass pane facing the sun. A perforated plastic tube runs across the top of the still. The liquid from the mash is sent through the tube and drips down onto the burlap. The black burlap, sealed behind glass, has the heat of a black vinyl car interior on a hot summer day. The alcohol condenses on the inside of the window and runs down into a separate collection gutter while the remaining mash is recycled. The whole thing cost Crombie $18 to build and produced about 4 gallons of 100-proof alcohol a day.

Naturally, the local agents of the US Treasury's Bureau of Alcohol, Tobacco, and Firearms got wind of Crombie's experimental still and confiscated it. After considerable hassle with the local agents, he wrote directly to the director of the bureau in Washington asking for a special variance of several sections of the code for two years in order to carry on his experiments.

He wrote: "It is my desire to test several sources of fermentable carbohydrates (corn, wheat, barley, and cellulose) with various bacteria and yeasts. I plan to build and experiment with solar stills of differing designs, efficiencies, materials and costs. . . and to compare these with a classic boiling still. I will test farm uses of alcohol, including use in an oil-fired furnace, in diesel engines, in a corn dryer, and in automobiles."

He concluded by saying that he would use this fuel on his farm and that he planned to sell the solid fermentation by-products to his neighbors as hog feed. He received his permit in August 1978.

Now, the BATF has become quite cooperative with the gasohol movement, helping ethanol producers to get through the bureaucratic maze. Although industrial or fuel alcohol is not subject to taxation as is beverage alcohol, there are just as many forms to fill out and regulations to comply with. But the bureau has sent representatives to answer questions at National Gasohol Commission seminars and is trying to be as helpful as possible.

Meanwhile, the idea of energy self-sufficiency based on alcohol production is catching on among land-subsistence groups, farmers, survivalists, and rural communities. The *Mother Earth News*, a decentralist publication, recently came out with several highly detailed articles on how to build your own solar and wood-burning stills, with information on how to get permission from the BATF. And at an alcohol technology fair held on the Washington Mall in April 1979, blueprints for small-scale stills were distributed to interested visitors. Fermentation and distillation technology will soon become as widely known and discussed among survivalists as the value of hard currency and the quality of storage food.

Actually, the most important fact that anyone can know about alcohol production is probably the oldest piece of technical information in the hands of the human race: that water boils at 212 degrees Fahrenheit at sea level, whereas alcohol boils and vaporizes at only 170 degrees. All you have to do is take a fermentable substance—grain, potatoes, grapes (anything with sugars and starches)—add yeast to convert natural sugars into alcohol, and that 42-degree spread does the rest. The beer is boiled off and vaporized. The other solids and liquids are left behind. It's so simple that one wonders why we haven't applied the process to the production of fuel alcohol more extensively.

REFUELING FREEDOM

There is no doubt that the development of a large-scale agrifuel industry will have a great beneficial effect on the American economy as a whole. It will change the agricultural picture dramatically by eliminating the rationale for subsidized land set-aside programs, by increasing farm income, by developing new markets for farm products and distillation by-products. It will reduce our dependency on fossil fuels, thereby reducing the pollution problem substantially. It will decrease our dependency on foreign oil, improve our balance of payments, stimulate domestic investment in farm land, and improve agricultural technology and distillation equipment and technology. It will also stimulate other forms of alcohol production from cellulose waste and biomass, making inroads into America's huge waste-disposal problems. It will encourage new automotive and solar technology.

Above all, it will tend to increase individual freedom by undercutting the perceived need for the federal farm bureaucracy, the energy bureaucracy, fuel rationing, and the environmental protection bureaucracy. Also, it will end the dominance of fossil fuel as the nation's primary source of energy, with all of the environmental and health problems inherent in fossil fuel use and production. In short, it will give the American dream, based on economic freedom and unlimited opportunity, a new lease on life.

Samuel L. Blumenfeld is a journalist. He has authored numerous articles and several books, including How to Start Your Own Private School—And Why You Need One *and* The New Illiterates.

Hell, No, We Won't Go (to the Energy War)

By Robert J. Michaels

PRESIDENT CARTER HAS urged us to join him on the battlefield of energy, and America's influential citizens have uniformly volunteered to serve. As for the rest of us, we will be drafted.

I, however, intend to resist the energy draft—for the same reasons I resisted the Vietnam draft. As it is currently being fought, the energy war is a fundamentally immoral crusade.

Disregard the fact that the president's policies will fail in their practical goal of adjusting us to a world of scarcer energy. Altogether too much ink has already been spilled over the problem of effective policy, while the ethical dimensions of the energy war remain unexplored.

Asked about the unenforceability of the thermostat rules, a Department of Energy attorney stated to a *Wall Street Journal* interviewer that the standards would work because civic-minded individuals would report violators, and businessmen losing sales to competitors who offered comfortable environments would do likewise. We have entered an appalling world. If you are losing business to a competitor, why not report him and let the feds give him some trouble? (His actual thermostat setting is irrelevant.) If you don't like your neighbor, you can turn him in for energy abuse, using a toll-free hotline. Physical comfort has just achieved the same legal status as marijuana.

And no one complains. Were the federal government to prohibit the reading of certain materials, the best people would be up in arms, and justifiably so. Free citizens are presumed competent to choose their own reading matter. But the courts have held that they are incompetent to choose the fuel consumption of their cars and appliances. The traveling salesman who needs a large trunk and the young mechanic who likes power and style have become nonpersons. People always think they have the best of reasons for frustrating others' choices. Some would censor the professor's books, and the professor would censor others' engine displacement. As far as consequences go, their desires are indistinguishable. Each degrades the quality of the other's life.

The connection with free expression is not a fanciful one. Harvard's energy expert Daniel Yergin, writing in a recent issue of *Fortune*, lauded the French government's conservation program, whereby advertisers who encourage excessive energy use are subject to censorship and prosecution. Harvard grew to its present stature as a consequence of its dedication to free expression, regardless of cost. Now a member of its faculty finds the regulation of such messages desirable because it will help the balance of payments.

The House of Representatives recently voted down legislation that would have required everyone to give up using his auto for one day a week. Something like it will come, sooner or later. Odd-even rules and weekend driving restrictions are the modern analog of Sunday closing laws. Civil libertarians aggressively fought these laws, which were supported by members of religious groups who claimed that the soul is too important to be left to the discretion of its owner. Today, we have people who make the same argument about carburetors.

Why is there no moral outrage against the confounding of personal choice by the energy warriors? The reason is simple: The people who found Jim Crow and General Hershey repulsive are on the side of the government this time. Their only quarrels with the president are about how Draconian the thermostat rules should be and how much wealth should be expropriated from the residents of Texas and Louisiana.

Like Vietnam, the energy war has become an exercise in presidential face-saving. Filling the role of Ho Chi Minh are the Arab and the oil company. A company produces magazine advertising with tasteless caricatures of Arabs, and no one complains. The president has kinder words for most dictators than he has for oil producers. Concerned dissenters are accused of prolonging the war. As in Vietnam, science will help us. Ineffectual but costly exotic technologies are the smart bombs and McNamara barricades of the energy war.

Why is there no moral outrage against the confounding of personal choice by the energy warriors?

It is not war, but politics-as-usual. A squeaky wheel cries for grease, and the president delivers it. A fuel allocation here, a windfall tax there, a grant to the inventor of a "soft" energy source somewhere else. (A soft source is anything not currently sold by Exxon.)

The politics are apparent in a look at the seal of the US Department of Energy. Its design was a long time coming, because of factionalism by the partisans of different energy sources. The final compromise, a triumph of politics over art, contains pictures of a windmill, an oil well, the sun, an atom, a lightning bolt, and two unidentifiable pieces of machinery. They should all have been replaced by a giant icicle.

The president is already promising voters in states with early primaries that he will see to it that they have fuel oil this winter. The law now gives him the power to buy votes in this manner, at the expense of citizens in other areas. A private oil monopolist would never discriminate so blatantly among regions, but because a political oil monopolist gets paid in votes, he has such incentives.

The voices of the concerned are unified in urging that the president be given still more power. Like Dostoyevsky's Grand Inquisitor, he will offer us security in exchange for our freedom. The likely outcome of the energy war is that we will have neither.

So I use energy without feeling any guilt. I prefer to have my home warmer, at the expense of some purchases for my book collection. It is a decision that I am perfectly competent to make. The latter-day busybodies who are leading the troops in this war wish it were otherwise, and soon they will probably have the law on their side. As these laws proliferate, I intend to resist them and their enforcers. Passed for the basest of political reasons, they do nothing to solve the practical problems of energy. They are the Blue Laws of the '80s. ◻

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SOLAR MYTHS AND SOLAR FACTS

by R. W. Johnson

What role can sun power really play in America's energy future?

On "Sun Day," May 3, 1978, President Carter promised renewed vigor in governmental support of solar radiation as a "clean, renewable, and economically competitive energy source." That his speech was made in a pouring rain storm at Golden, Colorado, was perhaps prophetic, for it was anything but a solution to the energy crisis.

"Among all the possibilities, whether simple or complex, low technology or high, stands the sun," begins a pamphlet published by the California Energy Commission. It goes on with encouraging words: "Solar energy is abundant, nonpolluting, and free. It is not affected by changes in international politics or trade, or inflation at home. It is available where it is needed. It is dependable, even in winter. And for at least the next four billion years, the sun will be warming the earth and providing the energy to those who take it."

Such glowing praise for solar power is common in the literature of antinuclear advocates and the environmental movement, as well as among some scientists. But to hope that solar power is the answer to all of our energy needs, that we need worry no more about depletion of fossil fuels or the risks of nuclear power, is to give way to utopianism. "Turn off the nukes, turn on the sun," says the bumper sticker, but one-liners like that will not carry us into the 21st century.

SUNNY STATISTICS

The United States has an area of some 3,615,122 square miles. With solar insolation—meaning the energy that falls on a given area over some period of time—ranging from 100 to 750 gram-calories per square centimeter depending on the time of year and atmospheric conditions, it works out to 171 quads (quadrillion, or 10^{15}, BTUs) of solar energy falling *each day*. And since our present annual consumption is about 80 quads per year (only 0.22 quads per day), shouldn't we be able to meet all of our energy needs by capturing the sun's energy?

The trouble is that the amount of solar insolation is not really what counts. Those impressive figures in fact translate into a power density of about one kilowatt per square meter at best, during the period when the sun is shining. One kilowatt is enough to run ten 100-watt light bulbs or one iron or toaster.

So why do so many nontechnical people tend to go along with the promotional razzle-dazzle surrounding solar power and consent to having their hard-earned dollars being thrown at that solution by government? Probably because they keep hearing the misleading figures—that the sun is beaming down on us something like 780 times the energy we actually use, for example.

The theme was advanced by Paul Rappaport, then director of the federal government's Solar Energy Research Institute (SERI) in Golden, Colorado, in writing his "Toward a Sun-Powered World" for the 1979 Yearbook of the *Encyclopedia Britannica*. Downplaying coal and oil, Rappaport brought up the controversial "greenhouse theory," according to which the burning of fossil fuels and the production of carbon dioxide are raising the overall temperature of the earth's atmosphere and "could alter climate and perhaps even precipitate such catastrophic effects of atmospheric heating as the melting of the polar caps and consequent flooding of the world's coastal cities."

To make his advocacy of solar power more pressing, Rappaport continued: "Presently nuclear power seems an unwise bet as a major energy source for the future. Unanswered questions remain regarding reactor safety and nuclear waste

disposal." He failed to note that answers *have* been provided but have been drowned out by antinuclear, soft-technology advocates and the politicians and press who pay attention only to them.

Should we not dismiss Mr. Rappaport's words as an attempt to perpetuate and solidify his bureaucratic position at the time with SERI? Many pronuclear arguments are thus waved away as biased because of their proponents' occupation (it is not fashionable to be employed in the industry and therefore to know what one is talking about). But the argument should not rest on such things. We cannot afford to go with anything less than careful analysis of the facts of the matter, technical and economic.

WHAT THE SUN CAN DO

Mr. Rappaport was not entirely in accord with his own staff in his glowing predictions for solar power. According to SERI's deputy director, even if solar energy could provide from 7 to 10 percent of US energy by the year 2000, it would probably not be able to displace a single existing nuclear or coal-fired power plant. He points out that, while solar may keep our standard of living better than if it did not exist, nuclear and coal would still have to provide most of the nation's *electricity* supply. About 28 percent of US energy consumption goes into the production of electricity; other principal energy uses are transportation (27 percent), space heating (18.5 percent), and industrial heat and steam (23 percent)—see Figure 1.

The solarists are on solid ground when they point to water and space heating. Solar energy has been used for centuries for exactly these purposes. And because the nontechnical public can think in those simple terms, they are led to the mistaken conclusion that that's all there is to the energy problem.

Presently, at a cost of several thousand dollars per home, one can install solar collectors in sunny climates that will do a creditable job of heating water and space. The California Building Industry Association (CBIA)—with more than a few dollars of help from the California Energy Commission—has published a hefty looseleaf syllabus distributed at each of its several "Solar Seminars" conducted around California for builders, engineers, and architects.

Robert Kuntz, technical services director for the CBIA and executive secretary of the California Society of Professional Engineers, has built up some of the inflated hopes for solar power in his remarks before these seminars. Alluding to the high capital cost of nuclear plants and the long lead times, and erroneously implying that residential energy consumption is of primary importance (see Figure 2), he creates the impression that solar energy is an alternative to nuclear. In response to a letter challenging him on these points, Kuntz blandly denied the implications. "I am sorry that you misunderstood my remarks concerning nuclear power in the State of California," he wrote. "The California Building Industry Association is in no position to pass judgement on the merits or availability of nuclear power." Yet he proceeded to do just that at the very next seminar.

The syllabus, however, does furnish some good information on both passive and active solar heating designs, including several heat-pump systems that have merit. (Active systems are those requiring fans, pumps, and other mechanical equipment to produce and move heat. Passive systems rely on building structure and nonmechanical means—circu-

Figure 1

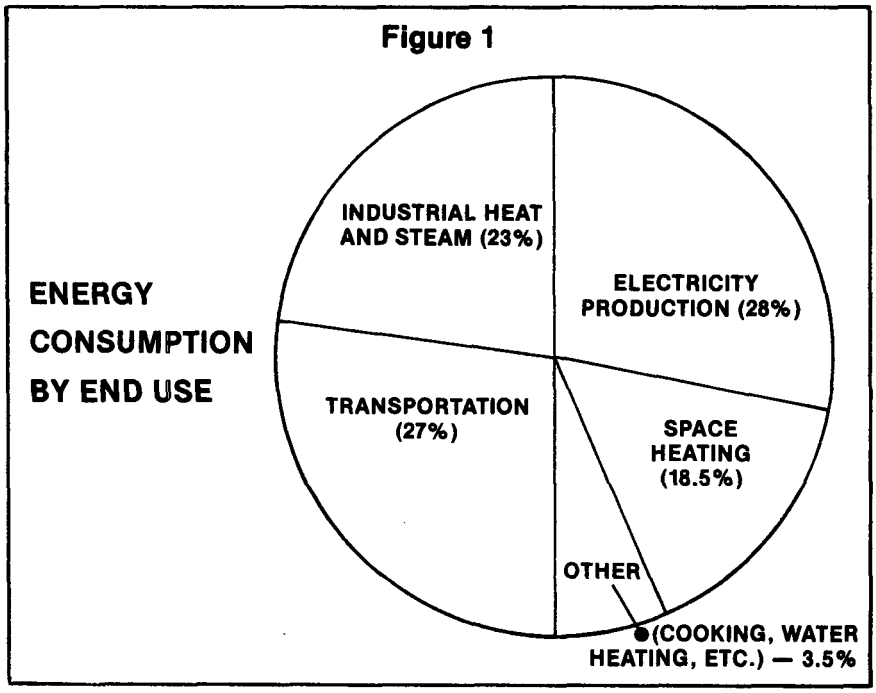
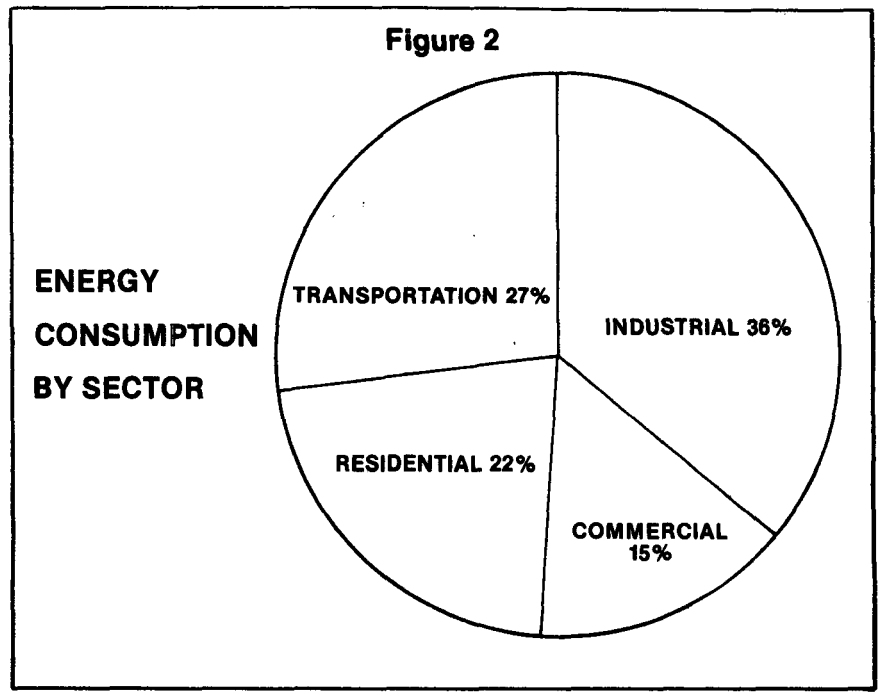


Figure 2



lation, convection, and radiation—to collect and move heat.)

The sun *is* for some applications a practical source of energy. But free? By touting solar energy as free, the California Energy Commission does a disservice to the public. Just as the cost of construction, maintenance, and decommissioning is factored into energy cost in a power plant, so is the cost of installation, maintenance, and eventual replacement of a solar system a necessary expense. It might be helpful to illustrate some of the trade-offs involved in, say, a solar water-heating system.

HEATING UP THE H_2O

Solar heating is actually most adaptable to water, particularly on a retrofit (replacement) basis. Solar *space* heating is best included when a structure is first built, because many factors, like shape of the roof and overhangs, north-south orientation of the house, insulation, and shading for summer use, have to be taken care of.

While actual hot-water needs depend on personal living habits—the usage of washing machines, dishwashers, etc.—a minimal standard is 20 gallons of hot water, 130 degrees Fahrenheit, per person per day. For a 55-degree inlet temperature this means that, for a family of four, 80 gallons of water weighing 667 pounds must be raised in temperature by 75 degrees, which requires 50,022 BTUs of energy. Add to this the heat losses from the required conventional back-up water heater, typically 26,000 BTUs per day (American Gas Association estimate), and one obtains 76,022 BTUs per day as the heat requirement for hot water for a typical family of four.

Solar water heating systems costing $2000-$4,000 (installed) can deliver to the water system (after all heat losses are taken into account) about 50,000 BTUs on a good day in, say, the Los Angeles area. So something like two-thirds of the water-heating energy requirements can be furnished by readily available solar water-heating systems. The resultant saving in BTUs amounts to about 17 kilowatt hours (KWH) if one assumes 90 percent efficiency for an electric hot-water system. The saving in electricity cost is something like 85 cents per day. From this must be subtracted the cost of electricity for pumps to operate the solar system if it is not entirely passive (which it usually isn't). This is typically about 3 cents per day, so the net saving comes out to about 82 cents per day in fuel cost assuming electricity as the alternative.

For natural gas or propane as the alternative, the saving is somewhat less. For propane at 44 cents per gallon and with a higher heating value of 91,000 BTUs per gallon, 50,000 BTUs at 40 percent efficiency costs 60 cents versus 85 cents for electricity. Natural gas costs much less, but since this is only because of artificial price controls, this is not a fair comparison (at least if we're interested, as many solar advocates are, in energy conservation on a national scale).

LONG-TERM COSTS

But now we must add in the costs of maintaining and ultimately replacing the system. According to Sunset Books' *Homeowner's Guide to Solar Heating*, a study in the San Diego area found a life-cycle cost of $5,050 for electric water heating versus $2,689 for a solar system. These figures, however, do not include some important factors, and the analysis is based on a 20-year life for the (assumed) $1,500 solar system. There is no reason to believe that the problems with rust, hard-water deposit build-up, pump bearings and impellers, contactor contacts, etc., will be any less with the solar system. A 10-year life would be more realistic and certainly more conservative, which brings the life-cycle cost down to $2,525 for electric and $2,132 for solar, *other assumptions of the study being the same.*

We must not allow ourselves to be misled by arguments based on solar water and space heating alone.

More realistically, one must include the cost of capital—what one could earn on the investment during the life of the equipment if that money were turned over in, say, gold, diamonds, treasury bills, or real estate. And a $3,500 installed price for the solar system is more realistic, especially if one seeks a full 75,000 BTUs per day. If approximately equal maintenance costs are assumed, a comparison between solar and *propane* comes out about as follows:

	Propane	Solar
First cost	$350	$3,500
10-year capital cost*	737	7,371
10-year energy cost**	3,490	175
10-year life-cycle cost	$4,577	$11,046

* Total earnings at 12 percent compounded annually for 10 years.

* * Based on energy price increases of 10 percent per year, starting with 60 cents per day for propane and 3 cents per day for solar, for the electricity for pumps, etc. Maintenance costs assumed equal.

Had the alternative been electric, the energy cost would have risen by $1,454 and the comparison becomes $5,565 for electric versus $11,046 for solar. These comparisons do ignore the availability of solar tax credits, which vary from state to state and can markedly affect the outcome. In California, one of the most liberal states, there is a 55 percent credit against personal income taxes for capital expenditures on solar equipment up to $3,000. In the present example, that would change the 10-year cost of the $3,500 solar water heating system as follows:

Net first cost:	$1,850
10-year cost of capital:	2,949
10-year energy cost:	175
	$4,974

Thus, *with* the tax credit the solar system is less costly than the electric one, and only slightly more costly than the propane one.

So whether there is an economic advantage to a solar hot-water system depends on the life cycle, assumptions about price increases and the cost of capital, the possible existence of tax credits, and above all on how many hours the sun shines each year. If one is concerned about the *availability* of an alternate energy source, the often higher cost of solar might be justified. But even if everyone converted, the national energy problems wouldn't be solved that easily!

MULTIPLE NEEDS

A 1976 study by the Energy Research Group in Framingham, Massachusetts, provides some revealing data. Even if the solar industry could be expanded to provide heating for 100,000 buildings a year in 1990 and 600,000 to 2 million buildings a year by 2000, only one to three percent of total US energy needs could be met by the year 2000. If all 72 million households in the United States could be converted to solar water heating *overnight*, it would save three percent—about 2.5 quads—of our national energy requirements. While this is nothing to sneeze at—the 1973 oil embargo created a one-quad energy shortfall and contributed to the greatest economic recession in 40 years—we are facing a need for

anywhere from 20 to 90 more quads per year by the year 2000 as the population increases (experts vary widely in their projections and assumptions). Whatever the exact figure, this additional energy need is enormous and *cannot* be met by solar systems trying to extract energy at the dilute power density of one kilowatt per square meter.

The real problems of energy are not water and space heating, indeed, not even transportation, in spite of gas lines that can be traced directly to government mismanagement. We must not allow ourselves to be misled by solarist arguments based on water- and space-heating uses alone. As we have seen, 27 percent of our energy use is in transportation and another 28 percent goes to produce electric power.

We already use solar power extensively in making electricity. Hydroelectric power is, after all, solar in origin, since it depends on rainfall; snowfall; and evaporation, condensation, and pressure cycles, the energy for which comes from the sun.

We may be able to find a supply of fuels that can economically supplement fossil fuels to some extent, but this is likely to be tiny compared to our needs. Certainly, we can produce methane from garbage, steam from fumaroles, fuel from peat, alcohol from wood and corn, and so on, but these activities are productive only because energy from the sun has been integrated and stored in the basic substances over some past period of time. But if we talk about *direct* solar energy use and hope to be able to use solar systems to replace even our nuclear capacity—now on the order of some seven quads per year in terms of energy consumption (taking into account plant efficiency)—we are setting ourselves up for a tragic collision with reality.

And yet this is precisely where President Carter has us headed, judging by his pronouncements on energy in July 1979 after his guru sessions at Camp David. The "July Massacre" of his cabinet saw a technically knowledgeable James Schlesinger replaced by a former Coca Cola executive as energy secretary, but no matter—policy actually remains unchanged from prior failures: throw money at it, and the problem is solved.

The president wants solar power to furnish 20 percent of US energy needs by the year 2000, he says, and all he needs to do this is the National Solar Bank. Quite possibly Dr. Schlesinger's demise resulted from his adherence to the technical facts, which show this to be an impossible goal unless the overall consumption of energy is cut so drastically as to result in the nation's coming to a standstill. One *can*, after all, convert 5 percent into 20 percent by quartering the base upon which the percentage is calculated.

In any event, Mr. Carter will assuredly not be president in the year 2000 if we make it that far, so nobody will remember whether he achieved his goal or not. One thing is certain: the production of energy is not as simple as the production of Coca Cola, and reshuffling the energy czars in Washington is not the solution.

PLUGGING IN TO SOLAR

Electricity is the major problem. With cheap, abundant electric power, even transportation fuels could be produced economically by extracting and liquefying hydrogen from sea water—although this would require a "plutonium-hydrogen economy," the first part of which raises images of disaster for opponents of nuclear power.

A recent issue of *Electronics* (July 19, 1979) ran a special feature on the state of the art in photovoltaics, whereby solar cells use the sun's light rather than heat to transform solar energy into electricity. SERI's former director would have us spend $1.5 billion on such devices over a 10-year period. Although some experimental (and expensive) laboratory designs have reported efficiencies of 16-20 percent, the average for mass-produced solar cells still stands at around 8-10 percent. The cost, while it has been dropping, is still (1980) in the vicinity of $10,000 per peak kilowatt for the cells alone.

The highest reported output of a solar cell is the open-circuit 0.655 volt reported for an Australian experimental design. So there are formidable technological problems to be overcome before solar cells could produce the typically 300,000 volts of three-phase alternating current used for long-distance transmission lines to reach urban areas. It is even far beyond the present state of the art simply to obtain the 240 volts AC that most 150-

Solar History at a Glance

Prehistory	Ancient man dried crops, baked bricks, distilled liquids, with solar heat.
212 BC	Archimedes used reflected sunlight to burn sails of enemy ships.
1600s	Holland used windmills to pump sea water.
1774	Joseph Priestley used crude solar furnace in discovery of oxygen.
1872	Solar distillery in the northern Chile desert provided fresh water from salt water at nitrate mine.
1878	Solar heated boiler ran steam engine to operate printing press at Paris exhibition.
1902-1911	Solar engines up to 20 horsepower built at St. Louis, Philadelphia, and Needles, California.
1913	Solar engines pumped water and generated electricity in Egypt.
1920	Solar water heaters used in Florida.
1939	Massachusetts Institute of Technology experimented in solar home heating.
1950	Major symposium on solar home heating.
1959	Harry Thomason built prototype of first economical, successful solar-heated home.
1961	Report to United Nations on Mexican solar cooking tests.
1967	Silicon solar cells powered isolated Japanese radio repeater stations.
1968	Solar furnace capable of generating one megawatt of power daily built in France.
1973	Energy crisis stimulated interest in solar energy.
1974	Congress passed Solar Heating and Cooling Demonstration Act.
1975	Solar Energy Industries Association created.
1976	Government launches solar energy programs; plans announced for solar housing development.

ampere households have now in three-wire systems.

But the problem does not stop there. Energy engineer Dr. Petr Beckmann estimates that a 1,000-megawatt solar electric plant—whether photovoltaic or thermal—would require some 50 square miles of land area—32,000 acres—to generate the electricity that can be produced by a nuclear or fossil plant on 25 acres. (A 1,000-MW plant can normally serve a city of one million people.) Even this does not allow for the increased land area required for longer transmission lines between the sunny deserts most suitable for solar plants and the population centers using the power. Nor does it allow for the necessary access roads, rights of way, and substations or raise the issue of the cost of building those longer lines.

And there is still another element in the equation. According to SERI's Dr. Kathryn A. Lawrence, a 1,000-MW solar electric plant would require 35,000 tons of aluminum, 2 million tons of concrete, 7,500 tons of copper, 600,000 tons of steel, 75,000 tons of glass, 1,500 tons of chromium and titanium, and 5 tons of silver, and more. Such a plant would require close to 20,000 hours of operation to return the energy required to build it. The tonnage of structural metals alone is 1,056 times as great as for a nuclear or fossil plant of the same size.

Meeting all of our year-2000 electricity needs with solar power plants would require at least 191,250 square miles of real estate.

Suppose, however, that we *were* to attempt to try to meet all of our year-2000 electricity needs of up to 43 quads per year with solar power plants. What would that require in land area? Using 1,000-MW solar plants operating 10 hours per day (a generous assumption for the sunshine period) at 90 percent availability (only 36.5 days per year for maintenance, such as cleaning the snow, dirt, and bird droppings off the collectors), translates into 0.0112 quad per year per plant. To produce 43 quads this way would require 3,825 plants, or a minimum of 191,250 square miles of real estate. This is an area about 58 percent more than the entire area of New Mexico, 68 percent more than the entire state of Arizona, and even 72 percent of the total area of Texas!

Can any of the environmental experts estimate the ecological damage that would result from placing this much of the United States into permanent shadow? Even the august Sierra Club has some doubts about this—in its *Towards an Energy Policy* it cautiously admits that "there may be serious environmental problems with large [solar] systems. They may be wasteful of open land and material resources."

DO-IT-YOURSELF POWER

It seems rather obvious that centralized solar electric power is enormously impracticable, a fact apparently lost on the DOE, which has just put on line a $100,000-per-kilowatt installation in Arizona and plans to spend $105.5 million on a 10-MW facility in Barstow, California. But what about smaller, individual systems? Might we not get rid of that old utility bill this way and contribute to solving the energy shortage?

Solar-cell panels presently available (for example, the Spectrolab 12-volt, 96-watt array delivering 6 amperes, 26.8 ampere-hours per day under average sun conditions) have a usable output of about 5.58 watts per square foot of area. So let's examine the possibility of putting an array of these panels on the house roof and perhaps spilling over on to the barbecue area and the back yard. Let's assume that we don't have that space already taken up by solar panels for heating water or space (there isn't room for both). What sort of installation would we need, and how much would it cost?

Present technology will let us assemble possibly 100 such panels, to which one would have to devote 1,722 square feet of south-facing roof and yard. Hooked up in series-parallel, 100 panels of this type can deliver 120 volts direct-current at 60 amperes, 32 KWH per average day, which electricity would cost $1.61 when purchased from a utility at 5 cents per KWH.

The problem is, the *present* cost of such an array would be $48,719 plus sales tax (although some states exempt solar equipment from sales tax)—about $53,000 with installation and a high-powered solid-state inverter to convert it to square-wave 60-cycle AC. Now motors and TV sets don't operate too well on square waves, but they will run that way. We could probably add another $500 or so of filter to make them look more like sine waves, but then we would lose some in energy efficiency. So we can amortize our investment in a little over 90 years, if the house roof holds up that long!

Of course, the cost of solar panels will come down as technological developments occur, but what does it have to come down *to*? Assuming the output per unit area would double as a result of such progress, we could save $3.20 per day in electricity cost. This could possibly justify an investment of $6,784 (again using a 12 percent cost of capital)—which means that the solar panels themselves would have to drop to about $2,500 or about $347 per peak kilowatt before installation, as against the present price of $6,766 per kilowatt. The DOE's most optimistic target is $2,800 per kilowatt with the start of automated mass production in 1982, down to $500 per kilowatt by 1990 (as reported in *Electronics* in July 1979).

But this isn't the whole story by any means. It neglects the cost of maintenance and assumes a trouble-free system. A few substantial short-circuits, and the most expensive part of an inverter that isn't well enough protected will vanish in a cloud of smoke. Let lightning strike the collector panels, and the whole array might have to be replaced—if one is to insure against this risk, then the cost of that insurance must be figured into the equation. And, of course, the little devils across the street with their new birthday .22s will have a great time using the solar panels for target practice. Or their new slingshots or baseballs will do as well.

Could we get rid of that old utility bill with individual, decentralized solar electric-power systems?

And finally, for the hours that the sun doesn't shine, one must rely on the utility after all. For the lifestyle that can afford even the $6,784 investment for the system, household electrical needs come out to more like 45 KWH per day than the 32 KWH delivered by the system. Piet B. Bos, director of the Solar Energy Program of the Electric Power Research Institute, talks about this *capacity displacement* problem. "Capacity displacement is the joker in the solar deck," he says in his article "Solar Realities." "The solar advocates argue that, once developed, energy from the sun could easily provide a major part of the energy the nation needs and eventually could do it

(Continued on p. 34.)

DOCTORS AS INSTRUMENTS OF REPRESSION

BY JULIANA GERAN PILON

Under a little-noticed change in the Soviet physicians' oath, doctors now serve the State, not their patients. Could it happen here?

I looked around. A big ward, or cell, with twenty beds. Bars on the windows. Naked men lie on the beds, tied down, writhing in convulsions, issuing wild cries. From time to time an orderly comes up and gives them a hefty punch in the stomach. From the awful pain they quieten down for a time, just moan, then again they start to shout. From morning to night almost all of them are injected with several doses of Aminazin [a tranquilizer]. . . . The ward is permeated by a sickening smell of rotting: the patients perform their natural functions on the beds they are tied to. . . . It is forbidden to go out into the corridor. Also to walk around the ward.

These words were, in fact, written by one of those "patients": Andrei Dubrov, a 22-year-old Muscovite who had asked to emigrate to the West. In 1972 he and his mother received permission to leave, but at the last minute it was revoked on the grounds that he was to go to the army. He refused, hence the diagnosis of "insanity" and incarceration in the conditions described above. We have learned about his ordeal, luckily, because his testimony managed to reach the West—but his case is only one in thousands.

A gnawing question haunts the spectator: How is it possible that doctors—not policemen, not soldiers, but doctors—should cold-bloodedly participate in such terror? The answer is to be sought at least in part in the very nature of the oath to which the Soviet physician is explicitly committed—a hypocritical, un-Hippocratic, yet nonetheless binding oath that not only permits such behavior but, truly, requires it.

THE ANCIENT OATH

The adage has it that men are known not by their words—and wisdom will surely advise against the study of a merely written code as evidence for what its advocates profess—yet such is human communication that appearance is often all we know of reality. I offer this by way of justification for returning to the Hippocratic Oath as a springboard for comparison with the recently revised oath of the Soviet physician. After noting some disparities, I invite the reader to ponder some implications of that revision in light of the realities of modern-day Soviet psychiatry. Those who can learn from such ponderings may be the wiser, else we should witness the recycling of some historical truths better left for the chronicles.

By turning back the dusty pages we find the Hippocratic physician gazing heavenward as he proclaims,

> I swear by Apollo Physician and Asclepius and Hygieia and Panaceia and all the gods and goddesses, making them my witnesses, that I will fulfill according to my ability and judgment this oath and this covenant.

—as befits an ancient oath, for the invocation of the deities makes the protestation all the more solemn. Since Apollo and his son Asclepius are the patrons of medicine, their initial invocation is especially appropriate. It had been Apollo, after all, who first taught humans the act of properly selecting their regimen, while his grandchildren Panaceia and Hygieia reveal their significance in their very names—few physicians even today will deny that secret hope of finding the former, and none would dare shun the latter.

In the presence of holy company, the swearer then proceeds ultimately to promise to apply his art "for the benefit of the sick according to [his] ability and judgment." Nor is this an overly modest claim, for he continues: "I will keep them from harm and injustice," no mean task for a mere mortal. Much the same idea is repeated once more before the oath is over: "Whatever houses I may visit, I will come for the benefit of the sick, remaining free of all intentional injustice, of all mischief"—at least, we must suppose, of all intentional mischief, but that is reassurance enough. Whatever the disadvantage of dubious verifiability in the case of divine sanctions against breaking a promise, we may be certain that many a believer took his word seriously.

MEDICAL PERVERSION

There is no reason *prima facie*, of course, to assume that with the decline of Apollo's reputation the Hippocratic oath was bound to be ignored. The modern physician may look to the benefit of the sick as did his sandaled ancestor, if only from kindness and concern. The Soviet doctor's oath differs from the Greek not primarily in its conspicuous deletion of the deities, for this has also been true of the various codes adopted by the American Medical Association. No, what is especially startling is the new object of a Soviet physician's concern. Put quite simply, his allegiance is to ideology and the State, *not* to the individual who happens to be sick or under care.

To cite from an article that appeared in the *Medical Journal of Australia* in 1976, written by the Russian doctor Sergei Alexeyeff:

> On March 26, 1971, The Supreme Soviet issued a decree which changed the

wording of the Soviet doctor's oath. The passage committing the doctor to strive primarily for the healing of the individual was deleted and replaced by a new one. Accordingly, the doctor now pledged himself to follow "the Communist moral principles," promising to take heed of his responsibility towards "the Soviet State and Soviet people." Under cover of this new oath the Soviet authorities can demand and obtain the assistance of physicians in the treatment of sane dissidents in mental institutions.

This implicitly requires that a doctor also violate the Hippocratic duty to protect a person under his care from harm and injustice, for even the briefest look at the Soviet system of mental health will reveal the embarrassing prevalence of those twin evils.

Were an ancient physician to hurt the innocent sick, Apollo's wrath would have been kindled to summon the other gods who, however pagan, could not have refused to raise their voices in protest. Not even the vainest of those populating Mount Athos could have demanded that a physician renounce his duty to the sick at a mere command from above; yet this is precisely what is asked of a healer in the worker's paradise. And since there is exactly one employer, the choice can be only to obey. Thus the swearing of the Soviet oath requires far less than the entire universe of gods: an announcement in *Pravda* will do, perhaps with a nod from one's local KGB agent.

In some cases that nod will be, let us say, logically superfluous—in those not so exceptional situations where the doctors, notably the psychiatrists, are themselves

What is startling about the Soviet doctor's oath is the new object of the doctor's concern.

KGB agents. Dr. Daniel Lunts of the Serbsy Institute is without doubt their most sinister exemplar: a Stalinist informer and colonel in the KGB parading as a man of science, who condemned many of the best-known modern-day Soviet dissidents to torture and even death. Perversions of truth in his diagnoses, documented by Soviet sources themselves, have for years been designed to "prove" that perfectly sane political prisoners must be considered deranged. His definition of insanity follows easily from Soviet ideology. There being no social or economic cause for crime in the USSR, all criminals must be lunatics, and that includes "dissidents." The thesis is elucidated in Dr. Lunts's monograph "The Theory and Practice of Forensic Psychiatric Examination" for all to see and wonder at its perversion.

UNSPEAKABLE CRUELTIES

Actually, the expression *political prisoners* is misleading. For consider the following from the *Chronicle of Current Events:*

> A number of facts indicate that the reception rooms of the highest official bodies in Moscow either have an ambulance on permanent duty from the psychiatric first-aid service, or are in direct and speedy contact with this service. In many cases, people who have come to the reception rooms of the party Central Committee, the Council of Ministers, the Presidium of the Supreme Soviet, the All-Union Central Council of Trade Unions, the K.G.B., and other organizations with complaints, generally of a non-political nature, have not been allowed to put their case, but have been forcibly driven off to Moscow psychiatric hospitals, and then, after a psychiatric diagnosis, to their local hospitals.

Although general psychiatric hospitals, scattered throughout the country, have facilities for such "political inmates," most of those unfortunate creatures reside in the nine "special psychiatric hospitals" (SPHs), which are under strict supervision of the KGB.

These outfits house people who have been declared psychologically defective for having given information to Western newsmen about the SPHs, alongside idealists mad enough to defend religious rights in the USSR; even psychiatrists who have spoken out against detaining people in SPHs are considered insane. More specifically, according to Vladimir Bukovsky and Semyon Gluzman, all such dissidents are labeled "schizophrenic," either "latent" or "paranoid"—nomenclatures of dubious scientific but clearly much political value. There are an estimated 10,000 political prisoners, but the number may well be much higher.

Once inside, the innocent suffer unspeakable cruelties. The *Chronicle* describes the SPHs:

> All these institutions have the following features in common: political prisoners, although of sound mind, are kept in the same wards as seriously disturbed psychiatric patients; if they will not renounce their convictions they are subjected, on the pretext of treatment, to physical torture, to injections of large doses of Aminazin and Sulfazin, which cause depressive shock reaction and serious physical disorders; the regime is the same as for closed prisons, with one hour's exercise a day. Sometimes sodium aminate, a strong narcotic, is administered by injection, to weaken the patient, and after the injection he is interrogated.... The most terrifyingly arbitrary regime prevails at the Sychyovka and Chernyakhovsk hospitals, where the sick patients, and the politicals with them, are the victims of daily beatings and sadistic humiliations on the part of the supervisory personnel and the nurses, whose rights are absolutely unlimited. For instance, in the spring of 1969 the patient Popov was beaten to death in the Chernyakhovsk hospital, and in the medical record it was stated that he had died of a brain hemorrhage.

A PERIL TO ALL

Which brings me back to the Hippocratic code. One might argue that the Soviet doctor mistreats, when required by "State security," only the unruly; the truly sick, if obedient, will nevertheless receive good health care without charge. As indicated, however, the evidence will not support even this feeble defense without qualification. For when the doctor no longer has the individual's interest at heart, everyone is in danger—the more and the less outraged alike.

Neither is injustice restricted to adults. Dr. William M. Easson, a member of an American delegation to the USSR in charge of studying the Communist system of child care, noticed, for example, that a surprisingly large number of children there were diagnosed as "schizophrenic";

Even psychiatrists who have spoken out against detaining people in psychiatric hospitals are considered insane.

for it seems that "socially deviant or disruptive behavior is considered to be an important sign of serious emotional illness far more readily than in the United States. Rebelliousness and undue individuality are neither expected *nor tolerated.*" Action is thus taken early and drastically. The Soviet psychiatrist will readily prescribe strong medication—and doses are "at much higher levels" than in the United States. He will even make liberal use of that most medieval of devices, backed by medieval theories: "*Frequently*, children receive galvanotherapy—electric stimulation—'to stimulate the vege-

tative system.' " All this, naturally, without a fee. But one hesitates to call it, ambiguously, free.

The literature dealing with Soviet psychiatry is filled with examples of abuse, as is readily indicated by the hearings of the Senate Subcommittee on Internal Security in 1972 and 1975, as well as of the House Subcommittee on International Organization in 1976—to mention but the best publicized. A reader interested in further gory details can satisfy his appetite to indigestion. Mentioning this fact does not, however, exhaust the purpose of my project. For I had promised at the start to warn against our own failure to learn from history's cyclic turns—or, as Copernicus might have put it, its revolutions.

"VOLUNTARY" CARE

The Soviet health care system is, let us recall, fully socialized, which is to say that the State pays for everyone's medical bills. The doctor and his patient are both sustained from the same public purse. And "rights" to care bring with them certain obligations: the doctor is required to treat the patient *considered* ill, and the patient must comply.

To quote David L. Bazelon, member of the US delegation to the Soviet Union:

> To promote a comprehensive health system, the Russians publicize the availability of services and, more importantly, *stress the obligation of the citizen* to conform to society's expectation that he will seek treatment so that he may usefully function as a citizen. Indeed, the whole health care system is focused on reinforcing the individual's value to the state by getting him back to work.

And since the citizen must want the good of all—would it not be irrational to think otherwise?—he should comply with the decisions made for him.

Indeed, not wishing to be "treated" so as to become "useful" again is to be mad. I cite again:

> Even if a patient opposes hospital commitment, it is deemed voluntary if it is sought by the patient's family, his trade union, business organization, or polyclinic doctor. The Russian attitude seems to be that under these circumstances the patient himself would want hospitalization if he could make a rational decision. As a result, only three or four percent of all commitments are termed involuntary.

The right to treatment becomes, grotesquely, the obligation to receive treatment whether or not the "sick" wishes it and even, sometimes, whether or not it destroys him in the process. A curious but not unexpected turn of events, for the One who pays the bill and writes the doctor's oath may well use His muscle unjustly, arbitrarily. Unlike Apollo, moreover, the modern police state has easily testable means of flexing its biceps.

CHILLING OMENS

Warnings against the State's potential for repression under the guise of treatment—a potential easily actualized after gaining national control over health care—are not new. Dr. Thomas Szasz, one of the most vocal Cassandras in this area, has made the argument many times in many forms. After citing instances of psychiatric torture in the USSR, for instance, he comments in *Ideology and Insanity*:

> This point of view is characteristic of the collectivist ethic. It is also indistinguishable from that of contemporary American institutional psychiatry. In both systems, a person who has harmed no one but is considered "deviant" is defined as mentally ill; he is ordered to submit to psychiatric examination; if he resists, this is viewed as a further sign of his mental abnormality.

To say, as does Szasz, that the Soviet viewpoint is "indistinguishable" from that of American institutional psychiatry is to carry the point farther than I wish to do, for surely important differences can be easily detected by the unaided eye. Still, the main idea remains: Will the people be sufficiently blinded by "free" health care to risk perverting even the loftier (not to mention the pecuniary) meaning of that word?

Those who might protest that American doctors will never succumb to governmental pressures similar to the Soviet should consider most carefully what HEW secretary Joseph Califano, Jr., told the gathered physicians at the June 1977 AMA meeting in San Francisco: "Whether they liked it or not," proclaimed the secretary, "the government would soon take greater control over health care costs including such things as geographic distribution of doctors, the services they may order and the equipment available to them." How long will it be before HEW rewrites the doctors' code and tells them not only what services they may order but which they *must* order—or risk geographic redistribution to much cooler climates?

The right to treatment becomes, grotesquely, the obligation to receive treatment.

Indeed, the scenario could become more macabre yet: the physician who treats the mentally ill may well be expected—nay, ordered—to serve society and his patients best by using that most barbaric of devices, psychosurgery. That day, again, seems much nearer than one would like to imagine. In a chilling piece in the February 1979 issue of *Inquiry* magazine, Dr. Lee Coleman observes that "the government is now promising eventual funding through Medicare and Medicaid for psychosurgery as accepted medical practice. This may trigger a new wave of psychosurgery similar to the thousands of lobotomies performed in the 1940's and 1950's."

A SECULAR FIST

Apollo must be watching us dumbfounded, wondering which of his brethren had cast a spell upon the clever race below. But why blame the charming cast of mythological personages? History has since advanced, and the Hippocratic code has carved its way into the conscience of the West. The well-known scholar Ludwig Edelstein observes:

> As time went on, the Hippocratic Oath became the nucleus of all medical ethics. In all countries, in all epochs in which monotheism, in its purely religious or in its more secularized form, was the accepted creed, the Hippocratic Oath was applauded as the embodiment of truth. Not only Jews and Christians, but the Arabs, the mediaeval doctors, men of the Renaissance, scientists of the Enlightenment, and scholars of the nineteenth century embraced the ideals of the Oath.

Edelstein declines "to outline the successive stages of this historical process." But we may observe that when the physician no longer saw his activities as being in conformity with the desires of a higher divine power, a vacuum appeared and with it the temptation of a new presence: that of a higher secular fist. This is not to claim an iron necessity in the philosophical, let alone in the political, sphere, for temptations are by definition resistable. Whether or not our generation will be able to recognize the mortal danger it faces is a matter very much for conjecture and, let us hope, for refutation. Few, however, should dispute its remarkably lethal quality. ◧

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BY DON ERIK FRANZEN

AMERICAN INQUISITION

The FDA's Persecution of Wilhelm Reich

The government's power to pass judgement on scientific investigations creates a gaping loophole in the First Amendment

Wilhelm Reich, born to an Austrian family in 1897, was trained as a doctor at the Vienna School of Medicine, the home of the early psychoanalytic school in Vienna. Though at first closely associated with Freud at Vienna's psychoanalytic polyclinic, Reich soon developed strong opposition to some of Freud's theories, resulting in his expulsion from the psychoanalytic community in 1934. He left Austria for Berlin but only two years later fled Germany for Scandinavia. In 1939, closely followed by Hitler's armies, he moved on to the United States.

In America, Reich began a series of experiments that convinced him that the universe is suffused with subatomic primordial energy, the sustaining force of all living phenomena. He called this life force orgone energy. Neurosis and physical disease, he maintained, arise from physiological blocking of its release in the living organism. Removal of these somatic blocks would not only rid the world of biopathies such as cancer but would remove sociological malfunctions such as authoritarianism and totalitarian governments. In place of fascist social structures, Reich advocated a pacifistic anarchic society he called work democracy. His motto was: "Work and love are the wellsprings of life. They should also govern it."

Reich established a research laboratory at Rangeley, Maine, where a number of physicians and medical doctors in the Boston area joined in his investigations. He constructed metal-lined boxes—"orgone energy accumulators"—which he claimed collected omnipresent energy for use in therapy. Patients were to sit in these boxes to receive the benefits of the accumulated energy. In published articles Reich claimed successful treatment of cancer, leukemia, and other diseases. As word of the "orgone boxes" spread, Reich's institute began sending accumulators to interested persons throughout the United States and the world.

FOOD AND DRUG WATCHDOG

Enter now the Food and Drug Administration. These accumulators, the FDA maintained, were misbranded and adulterated within the meaning of the Food and Drug Act—misbranded because their accompanying literature made claims of curative powers that were patently false; adulterated because their curative powers, if any, were manifestly below those claimed. On February 10, 1954, the FDA filed an action on libel of information, pursuant to US Code Title 21, Section 332(a), seeking an injunction against further introduction into interstate commerce or misbranding of orgone energy accumulators.

Reich declined to enter an answer or make an appearance in that action, which named him, certain codefendants, and persons acting in concert with them. He wrote to the presiding judge of the district court:

> *My factual position in the case as well as the world of science of today does not permit me to enter the case against the Food and Drug Administration, since such action would, in my mind, imply admission of the authority of this special branch of the government to pass judgment on primordial, preatomic cosmic orgone energy.*

On motion of the government, defaults and a decree of injunction were entered. The defendants were perpetually enjoined and restrained from committing the practices set forth in the complaint; furthermore, all orgone energy accumulators were ordered recalled to the defendants' place of business in Rangeley, Maine, and there either destroyed or dismantled under the supervision of the Food and Drug Administration.

Additionally, in the words of the First Circuit Court on review of the lower court decision, "certain listed descriptive literature pertaining thereof were ordered destroyed." The "certain listed descriptive literature" included all of Reich's published books, which were ordered withdrawn from the market and prohibited from further sale.

BOOK BURNING OLD AND NEW

Reich ignored the court injunction. Brought before the court on civil and criminal contempt in May 1956, he was found guilty by a jury of violating the court's prior order and sentenced to two years in prison.

He appealed the decision, arguing that he was "engaged in basic scientific research which no agency of the Government had jurisdiction to interfere with or control." The court replied that refutation of this contention

> *is obvious from its mere statement. Of course, the United States Government has power to forbid and power to take appropriate steps to prevent the transportation in interstate commerce of*

devices of alleged therapeutic value if they are adulterated or misbranded.

Reich's books were withdrawn from circulation and his magazine and orgone energy accumulators seized and burnt in the presence of FDA representatives. In November 1957, after eight months of imprisonment, Reich died in Lewisburg Penitentiary.

In 1633 a predecessor of Reich's, a fellow speculator, found himself for the second time called upon to justify his advocacy of heresy. A victim of subtle psychological oppression by the Grand Inquisitors, Galileo Galilei can hardly be faulted for his final disavowal of the heliocentric hypothesis. But public renunciation of the theory was not enough for the Grand Inquisitors. They also ordered that Galileo be placed in the physical custody of the Holy See until further order of the pope and that all his published works be burned and never again printed.

The trials of Galileo and, earlier, of Socrates are among the chief examples of human narrow-mindedness and public oppression. Socrates was condemned for his political free-thinking; Galileo, for his challenge to the prevailing theology. From examples such as these, the societies of the West have learned an axiom of civilized life: the right of the individual to advance and teach ideas, without fear of official repression.

The FDA officials who presided over the burning of Wilhelm Reich's works no doubt were secure in the belief that their acts were in the furtherance of the public interest. Yet, overriding our transient and impermanent conceptions of the public good stands the enduring command of the First Amendment: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press...." Is the advocacy of scientific theory any different from the assertion of religious or philosophic views? Can we facilely assume that the First Amendment has no relevance to the case of Wilhelm Reich?

TELLING THE TRUTH

The powers of the Food and Drug Administration over scientific investigation are substantial. Under the US Code, it can institute proceedings to condemn any "misbranded" drug or device. Devices may be ordered "detained" without prior court order for a period not to exceed 30 days. Apart from this summary procedure, the FDA can proceed by a libel of information in the federal district court to condemn any misbranded drug or device.

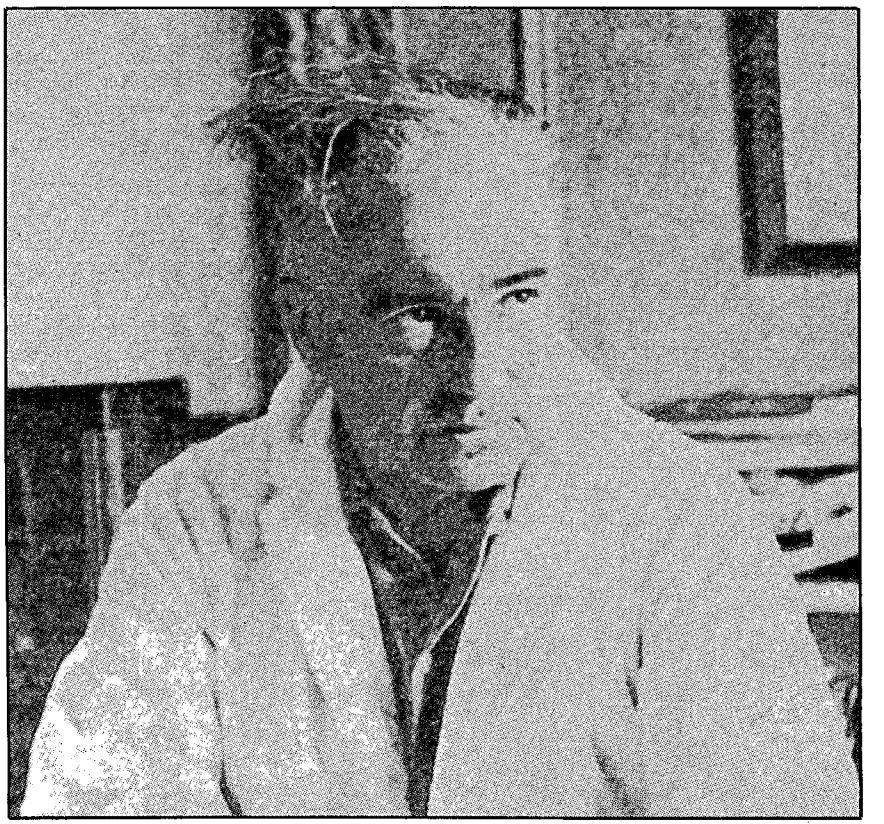
A drug or device is deemed "misbranded" if its "labeling is false or misleading in any particular." Thus, the FDA is directly responsible for determining the truth of representations in any packaging or any literature accompanying or explaining the device's use. Literature has been condemned as misbranded labeling even though sent by separate cover to persons ordering the devices, under the theory that any printed material intended to be distributed in relation to the misbranded device "accompanies" the device and is "labeling" within the meaning of the Food and Drug Act.

Finally, while the power of the FDA to review and require proof of safety and effectiveness formerly extended only to drugs, under the Medical Device Act of 1976, the agency is empowered to require all new medical devices to be submitted for testing and approval before being marketed. Without resort even to court hearing, the FDA can by regulation ban any device intended for human use if it determines that the device presents "substantial risk of deception or an unreasonable and substantial risk of illness or injury" not curable by alteration of the device's labeling. Such bans are subject only to a "substantial evidence" review by the circuit courts, which as a practical matter means that all but the most outrageously wrong determinations by the agency will be upheld in the courts.

As the case of Wilhelm Reich demonstrates, the FDA's mandate makes it the arbitrator of the soundness of scientific theories. It is required to judge the effectiveness of devices based upon such theories and, more directly, the truth of scientific literature related to such devices. If an FPA (Federal Publications Administration) were set up and authorized to review all newspapers and printed matter prior to publication to ensure that none of their contents were "false in any particular" and to condemn through libel of information any false printed matter placed in interstate commerce, I do not think the cry of censorship and infringement of First Amendment rights would go unnoticed. On what grounds, then, can we permit, consistent with the First Amendment's overriding principle, this treatment of scientific thought?

FIRST AMENDMENT SCIENCE

It is often argued that the speech protected by the First Amendment is *political* speech. Yet there is a direct and evident relationship between scientific and political speech. Political points of view often rest on factual propositions that



Wilhelm Reich

look to science for their support. Moreover, scientific theories often carry very specific political implications.

This is well illustrated, for example, by the Soviet Union's former official boosting of the Lamarckian theory of evolution and disavowal of the Darwinian theory. Soviet leaders recognized that it was only a short set of deductions from the theory of natural selection to Herbert Spencer's social Darwinism.

The example of Wilhelm Reich furnishes further evidence. Reich believed that his theory of orgone energy had major political, sociological, and philosophical ramifications. Indeed, a good deal of his writings were directed toward these very subjects—and were destroyed by the FDA in their action against his devices.

The FDA officials who presided over the burning of Reich's works no doubt believed they were acting in the public interest.

In addition to political speech, artistic self-expression falls within the purview of the First Amendment. But here again scientific speech is related. Many works of literature are the result of the artist's reaction to some new and unsettling scientific discovery—for example, many of Milton's poems, in reaction to the Copernican hypothesis; or the late-19th-century English poets, Arnold and Tennyson, in reaction to the Darwinian theory. Lawrence Durrell maintains that his famous Alexandria Quartet is an attempt to apply Einstein's theory of relativity to the composition of a novel. The Italian author Italo Calvino has written a series of short stories, titled *Zero*, whose metaphors are lifted directly from scientific literature.

Scientific thought is, therefore, often the basis and foundation of speech that is unquestionably subject to the First Amendment. Shouldn't it, no less than political or artistic expression, be deemed to fall within the protections of the First Amendment?

VALUABLE FALSEHOOD

Granting that scientific speech ought at least presumptively to be protected, argument can still be made that this presumption should fall away in the face of other considerations. One plausible argument is that the First Amendment was never intended to protect demonstrable falsehood, and since the Food and Drug Act purports only to restrict dissemination of false or misleading statements, there can be no constitutional objection. Another is that scientific propositions, unlike religious or philosophic statements, are subject to objective confirmation or disconfirmation, and because there can be no objection to suppressing demonstrably false statements, it is constitutionally permissible to restrict dissemination of demonstrably false scientific statements. But neither of these arguments manages to undercut the First Amendment with respect to scientific work.

The argument that the First Amendment was never intended to protect falsehood simply errs in its interpretation of the amendment. Although the Supreme Court has held that "the erroneous statement of fact is not worthy of constitutional protection," it has also recognized the need to protect "some falsehood in order to protect speech that matters." Why? Because errors in debate are inevitable, and penalizing erroneous factual assertions can "dampen...the vigor and limit...the variety of public debate" by inducing "self-censorship."

The Court's analysis rests upon a profound epistemological conception—that knowledge is always based upon and limited in its validity to a finite and changing set of data. Today's conclusions attempt to account for our experience to date; they are always subject to being modified or completely overturned by subsequent events and understanding. Whether we acknowledge this insight by stating that truth is "relative" to the limits of our finite experience or "contextual" to such limits, we may join in the observation of Judge Learned Hand in a letter to Justice Holmes in 1918:

> *Opinions are at best provisional hypotheses, incompletely tested. The more they are tested, after the tests are well scrutinized, the more assurance we may assume, but they are never absolutes. So we must be tolerant of opposite opinions or varying opinion by the very fact of our own incredulity of our own.*

(Compare the eloquent statement of John Stuart Mill:

> *Complete liberty of contradicting and disproving our opinion is the very condition which justifies us in assuming its truth for purposes of action; and on no other terms can a being with human faculties have any rational assurance for being right.*)

ARDUOUS DEBATE

Because knowledge is limited by our experience, at any given time, theories that ultimately prove true may be unworthy of rational belief on the basis of information then available. To take a concrete example, the heliocentric hypothesis of Galileo had little to recommend it in the 17th century.

As advanced by Galileo, the planets and other heavenly bodies were thought to move in perfect circles around the sun. The mathematical formulae necessary to account for the observed movements of the planets under Galileo's version of the heliocentric theory were more complicated than the church-sanctioned geocentric system. The astronomer Tycho Brahe had earlier considered a heliocentric theory but rejected it because his astronomical observations, the most accurate of the age, recorded no evidence of the stellar parallax implied by the theory. In fact, it was not until 1838 that stellar parallax was first measured. Nor did the observations relied on by Galileo directly refute the geocentric theory. Given the state of knowledge in 17th-century Florence, it was not at all narrow-minded to reject the novel and ponderous heliocentric theory in favor of the received and well-tested geocentric system.

Judged by the Court's own standards, there are scientific investigations that lie beyond the regulatory power of the State.

Examples could be multiplied far beyond the need to illustrate the point that there is hardly a major breakthrough in science that has not initially been greeted with howls of hostility and cries of quackery. "Proof" of scientific theories, it would seem, almost as often follows as precedes the theories' acceptance. Since the advance of science is an arduous process of debate, involving the assertion and testing of hypotheses and counter-hypotheses and the constant possibility of being updated, does not the Supreme Court's rationale for the protection of some speech that is "false" become all the more relevant in the case of scientific thought? Surely there is in science, perhaps more so than in any other branch of the ongoing human dialectic, the need to protect all ideas—recognizing that some will ultimately fall by the

way—in order to give the freedom necessary for the debate ultimately to advance our understanding. A law that seeks to suppress false scientific conclusions is no more justified than a law drafted for the purpose of suppressing only false political or philosophic thought.

WHAT CAN BE PROVEN

Yet, turning to the second argument for overriding the constitutional presumption against restricting scientific thought, the Supreme Court has indicated that false or misleading advertising may fall outside of the First Amendment's protection. And it may be said that, similarly, scientific propositions—unlike philosophic, artistic, or religious expressions—are purported statements of fact and hence objectively disconfirmable.

In order to evaluate the relevance of this contention, it is necessary to consider the case law of the First Amendment's Establishment Clause as applied to the powers of the FDA. In 1969, in action brought against the Church of Scientology, the FDA sought to condemn as misbranded the E-meters used by scientologists in "auditing" church members and the accompanying literature explaining their use and function. As a defense against seizure and condemnation of the literature, the church raised the First Amendment's ban on any law "respecting an establishment of religion." The circuit court concluded:

> *Were the literature here introduced clearly secular, we might well conclude that under existing law it constituted "labeling" for purposes of the Act.... However, such broad readings are not favored when they impinge upon constitutionally sensitive areas....In light of these considerations,... we interpret the Act as not including within its concept of "labeling" the literature developing the doctrines of religion.*

In so holding, the court relied heavily upon the 1944 Supreme Court decision in *United States* v. *Ballard*.

The *Ballard* case involved a criminal prosecution against several leaders of the "I Am" religious movement for representing to the public by use of the mails that they were empowered by St. Germain to cure all diseases. The trial judge had instructed the jury that it was to consider, not whether the statements of the accused were in fact true or false, but only whether their claims of healing powers were made in good faith. The Ninth Circuit reversed the trial judge's action, holding that the issue of truth or falsity was a proper one for the jury.

But the Supreme Court, in a now famous opinion by Justice Douglas, vindicated the trial court's instructions:

> *Freedom of thought which includes religious belief is basic in a society of free men....It embraces the right to maintain theories of life and death and of the hereafter which are rank heresy to followers of the orthodox faiths. Heresy trials are foreign to our Constitution. Men may believe what they cannot prove. They may not be put to the proof of their religious beliefs.*

The *Ballard* and *Church of Scientology* cases appear to establish that the Food and Drug Act can have no application to written materials, even though accompanying a misbranded or adulterated device, so long as the content of the literature is religious. But if this analysis applies to religious thought contained in such literature, why not to all forms of First Amendment speech contained in such written materials?

It is no doubt true that there are many religious or philosophic statements that are simply not verifiable. Yet others most certainly are. Consider the following three statements:

1. God will cure you if you pray.
2. Orgone energy boxes cure cancer.
3. Socialism will cure the ills of society.

There is, of course, no question that (1) and (3) fall directly within the protections of the First Amendment. On what grounds can (2) be excluded? It cannot be on account of being alone capable of verification: (1) is no less verifiable than (2). Obviously, we could gather data and determine whether there is a positive correlation between cure and prayer. Yet the *Ballard* and *Church of Scientology* decisions conclude that the Constitution prevents us from performing that test. I perceive no grounds for dissimilar treatment of statements (1) and (2): Both purport to be statements of fact, both are testable, and both are intended to induce action on the parts of others.

The First Amendment should be deemed to create a zone of privacy around the scientist.

SCIENTIFIC PROTECTION

Indeed, the Supreme Court has in recent years become more sensitive to the logical impossibility of limiting the First Amendment's impact to those classes of speech traditionally protected by it—religion and political opinion. The gradual constitutionalization of the civil law of defamation illustrates this contention. That law has been tempered by First Amendment considerations in a series of decisions concerning recovery under libel suits. In effect, the Court has rewritten the long-standing strict liability rule of common-law defamation, holding that a person is privileged to speak falsely so long as the false statement is not the result of a negligent disregard for its truth or falsity.

If the First Amendment permits one to defame so long as it is not done negligently, and to represent one as having divine curative powers so long as done in good faith, on what grounds can scientific thought be suppressed without condition or qualification? It cannot. The law regulating scientific investigation must be constitutionalized, perhaps along the following lines.

First, I do not think that scientific thought can be suppressed, either by regulation or positive law, unless it is shown by the appropriate standard of proof that the allegedly false contention is made either with knowledge of its falsity or with negligent disregard for its falsity, measured by customary standards of scientific prudence. This principle is directly analogous to the rules developed in court opinions regarding defamatory and religious statements. This limitation on the legitimate reach of the State's power must be brought to bear on the FDA's power to condemn literature accompanying "misbranded" devices or drugs under the Food and Drug Act.

Second, the summary seizure provisions of the Food and Drug Act are subject to question once the applicability of the First Amendment is accepted. As now written, the law permits seizure of "misbranded" devices and accompanying literature without notice. This directly contravenes the long-standing First Amendment principle that no seizure of presumptively protected materials is to be tolerated unless there is an opportunity for speedy judicial determination of the material's right to First Amendment protection. Certain provisions of the Food and Drug Act probably would not bear up under scrutiny of this point.

Third, it may well be that some forms of scientific investigation simply lie beyond the power of the State to regulate. Accepting the protected status of scientific thought, it is, of course, true that the First Amendment does not shield any and all conduct in furtherance of it. As the Court has stated, the First

Amendment

embraces two concepts—freedom to believe and freedom to act. The first is absolute, but in the nature of things the second cannot be. Conduct remains subject to regulation for the protection of society.

Nevertheless, where First Amendment freedoms are at stake, the power to regulate conduct must be exercised so as not, in obtaining a permissible end, "unduly [to]. . . infringe the protected freedom." The Supreme Court has also characterized the end to be furthered as necessarily "compelling" or "substantial" and required that the "incidental limitation on alleged First Amendment freedoms is no greater than is essential to the furtherance of the interest."

Judged by these standards, it seems to me that there are scientific investigations —not merely abstract thought or theorization—that lie beyond the regulatory power of the State. In effect, I would argue that the First Amendment should be deemed to create a zone of privacy around the scientist into which the State should not intrude absent a showing of "compelling" or "substantial" need. I do not know what result this line of thinking might have had if applied to the case of Wilhelm Reich; I do think that Reich's insistence that his work was constitutionally privileged should have been taken seriously.

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Elisa Leonelli

Johnson

(Continued from p. 26.)

at a price as low as any other fuel system. But what happens if the sun doesn't shine for a week? The answer is that we must then fall back on conventional energy sources until that cheap solar source is again available." Bos points out that the utilities must therefore maintain standby capacity to make up these deficits. That idle capacity is costly, and "all the expenses of the backup plants would have to be added to the price of energy from solar power."

SAFER RADIATION?

But isn't solar safer? Here again, consumers are being conned by optimists who don't know or don't care about the solar facts. R. Du Val of the San Francisco Operations Office of DOE noted a few months ago that solar cells contain arsenic, cadmium, and other carcinogens. "What happens if there is a fire?" he asked, and "How will old solar cells be disposed of?" So the "totally benign" environmental concept of solar energy needs further evaluation and is in fact being studied by DOE, he says.

Dr. Beckmann has pointed out many times in the *Access to Energy* newsletter that massive shifts to individual solar energy systems could result in many deaths—from people falling off their roofs when cleaning off the collectors, for example. He points out that accidental falls kill about 16,500 Americans a year, added to about 1,300 more killed by falling objects, making this category the number-two accidental killer in the United States (automobile accidents being number one). Homeowners will be climbing on the roofs to clean off the snow and dirt and leaves after every storm, and the risk from this can be estimated, but it is obviously orders of magnitude higher than the deaths per billion megawatt-hours that occur for other energy cycles.

And even this does not consider the accidents with storage facilities, sulfuric acid in storage batteries, or the explosive hydrogen-oxygen mixture from charging them, and so on, all in areas where children may play. Is being free of that "greedy old utility" and that "nasty old uranium" really worth this risk?

A CLOUDED FUTURE

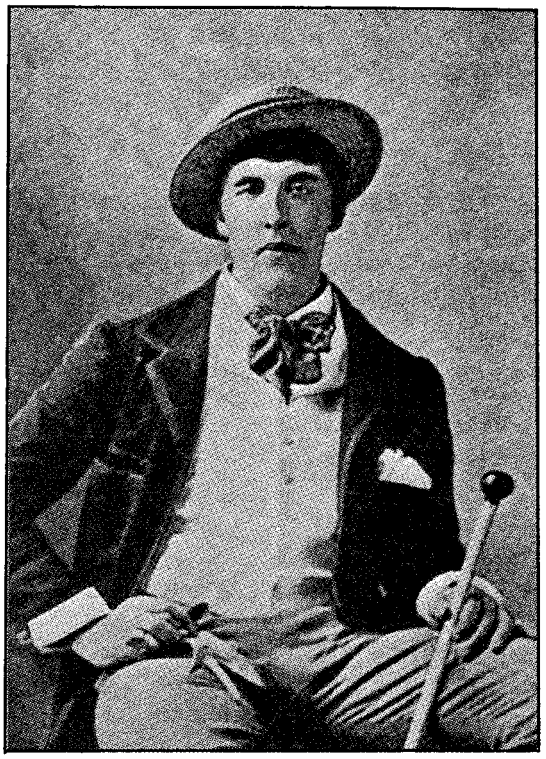
And would it deliver so much independence, after all? Electricity is what powers our industrial machine. Without it, the motors don't run, the lights don't work, the semiconductors don't grow, the conveyors don't move. Production stops. Without electricity, much of our food isn't grown. Without transportation fuel, nothing gets to market (observe the panic reactions in Washington and state capitols when the independent truckers struck to get more diesel fuel and permission to pass on its higher cost to their customers). Horses? Perhaps, but using 1918 technology just to achieve today's US level of agricultural production—*which feeds most of the world*—would take, according to a Department of Agriculture official, 61 million horses and mules. And that would take 20 years to breed from the 3 million now alive, and it would use up half the US cropland just to feed them.

Those with high hopes for solar power forget that the production and distribution of food is energy-intensive. A glass of milk requires a half-glass of diesel fuel to reach the table. It takes a half-pound of coal to produce a one-pound loaf of bread, three pounds of coal for a pound of hamburger, and so on. It is through *energy* that the United States has the highest agricultural output in the world, with one agricultural worker feeding 59 people against the world average of 5.1. (And this, by the way, is why it is such nonsense to bandy about the now-familiar comparison—that the United States has such a small percentage of the world's population but accounts for such a large percentage of its energy consumption.)

The energy needs of our modern society simply cannot be met with sunbeams and windmills alone. They cannot be met, in fact, with all of the energy we can possibly produce in 20 years, because of the history of the politicization of energy. The gas lines in 1974 and 1979 are simply the forerunner of things to come. When we get to rolling blackouts in electricity because of the refusal of politicians and regulators to listen to reason instead of to the stentorian polemics of pseudo-scientists and extremists among those concerned about the environment, we will discover, too late, what a shortfall in energy really means.

Consumers are, at best, hearing half-truths about the prospects for solar energy. And several years down the road?—when a disillusioned public comes to realize that solar is impracticable for mass-produced electric power? and that other options have by that time been foreclosed? What we are likely to see then is a backlash against solar power, not unlike the one unleashed in the past few years against nuclear power, after decades of government and industry PR that minimized the cost and complexity of nuclear-power production. If there is going to be "a sunny side of the street," we must assess our present solar possibilities realistically. And if we do, we see that sunshine cannot be *the* answer to our energy woes.

R. W. (Bill) Johnson is a professional electrical engineer with a private consulting practice in California. He is the author of several books, numerous articles, and a periodic technology column for a local weekly. He authored "The Energy Crisis and How to Solve It" for the May 1975 issue of REASON.



ANOTHER SIDE OF OSCAR WILDE

by Wendy Grosscup

"A man who can dominate a London dinnertable can dominate the world," Wilde once said. And Oscar Wilde, at the height of his career in 1895, dominated London dinnertables, London stages, and London opinion. Two of his plays opened that year to great success. His epigrams and activities were repeated—often by him—in the best of homes, while his philosophy of art and life could be found in most London newspapers. He was intensely admired and intensely disliked. For Oscar Wilde was, among other things, a propagator of radical ideas.

Aesthetically, he advocated art for art's sake. On a personal level, he declared pleasure to be the purpose of life, at a time when duty and God assumed that role. Also on a personal level, he was openly homosexual. These aspects of Wilde have been discussed in hundreds of books and essays. But Oscar Wilde the libertarian and advocate of social reform has been next to completely ignored.

In *Liberty and the Great Libertarians*, Charles Sprading includes an excerpt from Wilde's essay *The Soul of Man under Socialism*. This essay and Wilde's lengthy poem *The Ballad of Reading Gaol* are his most important political works. But Wilde was primarily a playwright, a poet, and a novelist. He only occasionally strayed into political or ethical theory, and his importance as a libertarian stems from the events and consequences of his life rather than from his theory, especially when it comes to penal reform.

VOLUNTARY SOCIALISM

Although theory is not Wilde's main importance, it does shed light on the events of his life. *The Soul of Man under Socialism* contains Wilde's most explicit political statements. "Every man must be left quite free to choose his own work. No form of compulsion must be exercised over him.... And by work I simply mean activity of any kind.... All association must be quite voluntary. It is only in voluntary association that man is fine."

Concerning government he wrote: "There is such a thing as leaving mankind alone; there is no such thing as governing mankind. All modes of government are failures." Curiously, however, under socialism he would have the "State" remain as a "voluntary association" to "organise labour and be the manufacturer and distributor of necessary commodities." Wilde did not spell out how this State differs from a government.

To achieve this ideal, Wilde proposed voluntary socialism with its rejection of private property. "For the recognition of private property has really harmed Individualism and obscured it, by confusing a man with what he possesses." Wilde's analysis of this issue was naive and very superficial. His objections to private property were aesthetic rather than moral or economic; he believed that property had a "decaying" and unattractive effect on man's soul, though morally it was acceptable. Private property, he argued, "made gain not growth its aim. So that man thought that the important thing was to have, and did not know that the important thing is to be." In this, Wilde was undoubtedly influenced by William Morris, a popular artist and leading socialist of the time whom Wilde admired in both respects.

Most of *The Soul of Man under Socialism*, and the portion that is quoted by Sprading, deals with the deadly effect of authoritarianism upon art and the artist. On this issue Wilde is less confused: government is totally opposed to individuality in art; government is a means by which the public comes to control art; "the form of government that is most suitable to the artist is no government at all."

This pamphlet has never been considered important by the English Socialist movement, perhaps because of its voluntarism or perhaps because of its wandering literary style. But according to Robert Sherard, a biographer of Wilde, it was popular on the Continent, as well as in America, where "large pirated editions were printed and sold by revolutionary groups." In England itself, though, "its most immediate result was to create feelings against Wilde among the influential and moneyed classes." (But since Sherard was a friend and defender of Wilde, his claims may be somewhat exaggerated.)

WILDE'S TRIALS

Wilde's ideas created a backlash of resentment. At the same time, his homosexuality was becoming the subject of gossip. On April 3, 1895, ignoring the good advice of friends, he brought the Marquis of Queensberry to trial on

charges of libel based upon a note that Queensberry had written. The note accused Wilde of posing as a "somdomite" (*sic*). The trial was a disaster. Not only did Wilde lose the case, but information revealed during the trial exposed Wilde himself to criminal prosecution.

On April 26, having been denied bail and the right to read the charges brought against him, Oscar Wilde was tried under Section 11 of the Criminal Law Amendment Act of 1895. The act, only four months old, had created a new offense: indecency between males *in private* (public indecency had long been prohibited). It was for private actions that Wilde was prosecuted twice and eventually sentenced to two years with hard labor; he spent the last one and a half years of this sentence in Reading Gaol.

"The recognition of private property has really harmed Individualism and obscured it."

The trials of Oscar Wilde brought the best legal professionals of the day into conflict over an unpopular law (the act was called "the blackmailer's charter") applied to an even more unpopular man. For although Wilde had charmed society, he was thoroughly disliked by the general public, which he had often ridiculed. Wilde was prosecuted twice. The first prosecution of April 26, 1895 ended inconclusively when the jury voted not guilty on charges of conspiracy and were unable to agree on the other counts. Although the government could have dropped the matter, less than a month later Wilde was again tried on similar, though amended, charges.

The case would not be forgotten soon. "The Wilde affair," wrote Phillip Julian, "was a turning point in the literary and social life of England, as the Dreyfus affair [was] in France. Considering the controversy it caused and the reform that followed it, the prosecution and imprisonment of Wilde was a mistake even from the government's point of view." And Hesketh Pearson suggested that, "in view of the sensation which he had created, he should have been told to leave the country."

Why did the matter continue? Frank Lockwood, then solicitor general, reportedly confessed that he dared not back down, for "it would be said all over the world that we dropped the case owing to the names mentioned in the Marquis of Queensberry's letters." Introduced into the first trial, these letters identified as homosexual various members of "society"—among them, Sir Lockwood's nephew by marriage.

LIBERTY MISCONCEIVED

A fair hearing, Wilde did not get. Newspapers and public opinion condemned him bitterly. Newspaper coverage was so prejudiced that one editor risked being sent to jail for contempt of court by publishing the details of the jury's voting in the April 26 trial even though Wilde had not yet been convicted of any offense. The atmosphere of the trial was best expressed by Justice Willis who, in passing sentence, declared it to be totally inadequate, as the offense had been the worst one he had ever tried—presumably including cases of murder.

Wilde's ability as a conversationalist and wit was evident during the trials. His testimony reads like a well-written play. At one point he made an impromptu short speech on the nobility of love between "an elder and a younger man, when the elder man has intellect, and the younger man has all the joy, hope and glamour of life before him." The spontaneous applause that followed this speech undoubtedly influenced the jury, which was unable to reach a verdict.

In the April trials Wilde was more than able to fence with the prosecutor. When the prosecutor grew impatient with hearing of Wilde's doctor he snapped, "Never mind your doctor's advice." "I never do," replied Wilde. By the third trial, however, Wilde was physically and intellectually exhausted. He conducted himself with dignity, but his former confidence and sparkle were gone.

One of the few newspapers, either in America or in England, to strongly protest the prosecution and imprisonment was Benjamin Tucker's *Liberty*. "The imprisonment of Oscar Wilde," Tucker wrote, "is an outrage that shows how thoroughly the doctrine of liberty is misconceived. A man who has done nothing in the least degree invasive of any one; a man whose entire life, so far as known or charged, has been one of strict conformity with the idea of equal liberty... is condemned to spend two years in cruel imprisonment at hard labor....Men who imprison a man who has committed no crime are themselves criminals." Later, Tucker again came to Wilde's defense, against the otherwise liberal E. B. Foote, Jr., who declared that Wilde should have been sentenced to twenty years instead of two.

The controversy continued during his imprisonment. Letters in the London *Daily Chronicle* and other papers complained loudly about Wilde's mental state and the conditions in which he lived. The outcry prompted R. B. Haldane, a Liberal M.P. and member of the Home Office Committee, to visit Wilde and investigate the claims. Prison life was brutal. "The cells in which hard labour prisoners were confined for twenty-three out of the twenty-four hours in the day were badly ventilated, and the sanitary conditions were primitive. The plank bed on which the prisoner was condemned to lie at night was an instrument of torture." These were the conditions that Wilde sought to change.

PRISON CRUELTIES

Wilde was released from prison on May 19, 1897. That same month a letter of his was published in the *Daily Chronicle* under the heading, "The Case Of Warder Martin: Some Cruelties of Prison Life." The letter described a small child who spent 23 hours a day in hideous conditions in solitary confinement for stealing food—and he had not even been convicted of the offense. When the child refused to eat the wretched prison food, Warder Martin tried to encourage him with a sweet biscuit; Martin was dismissed for doing so.

Most of this letter dealt with the treatment of children in prison. Children were subject to the same brutality as adults, but as Wilde observed: "A child can understand a punishment inflicted by an individual such as a parent or guardian, and bear it with a certain amount of acquiescence. What it cannot understand is a punishment inflicted by society. It cannot realize what society is." The letter went on to describe individual children Wilde had seen during his imprisonment. "The child's face was like a white wedge of sheer terror....the next morning I heard him at breakfast-time crying and calling to be let out. His cry was for his parents....Yet he was not even convicted of whatever little offence he has been charged with." Wilde also described the plight of a retarded prisoner who was punished constantly for his harmless but strange behavior. The man went insane.

This letter attracted a great deal of attention and, according to Francis Winwar, "succeeded in bringing prison reform." Frank Harris credits the letter with having brought about improvement in the treatment of children in British prisons.

On March 24, 1898, Wilde published

another controversial letter in the *Chronicle*. This letter, headed "Don't Read This If You Want to Be Happy Today," was prompted by the Prison Reform Bill then under debate in the House of Commons. The bill suggested such reforms as increasing the number of inspectors and official visitors who had access to the prisons. Wilde argued that such reforms were "useless" and again pointed to the wretched conditions of prison life. "The misery and tortures that prisoners go through in consequence of the revolting sanitary arrangements are quite indescribable. And the foul air of the prison cells... is so sickening and unwholesome that it is no uncommon thing for warders, when they come in the morning out of fresh air and open and inspect each cell, to be violently sick."

Wilde suggested other reforms: adequate food, improved sanitation, adequate reading material, visitors once a month, the right to send and receive a letter at least once a month, noncensorship of mail, and adequate medical care. The letter ends: "And the first and perhaps the most difficult task is to humanize the governors of prisons, to civilise the warders and to Christianize the chaplains." This letter was signed, "The author of *The Ballad of Reading Gaol*."

"THEY HIDE THEIR HELL"

The Ballad of Reading Gaol, published in 1898, is one of the most acclaimed poems of the English language and a major piece of literature in penal reform. Its theme is the hanging of a prisoner named C. T. Wooldridge, which occurred while Wilde was imprisoned. It filled Wilde with horror and despair:

Like two doomed ships that pass in storm
We had crossed each other's way:
But we made no sign; we said no word,
We had no word to say.

In *The Ballad* Wilde does not question the validity of any particular law but castigates all Law for cruelty and degradation:

I know not whether Laws be right,
Or whether Laws be wrong;
All that we know who lie in gaol
Is that the wall is strong;
And that each day is like a year,
A year whose days are long.
But this I know, that every Law
That men have made for Man,
Since first Man took his brother's life,
And the sad world began,
But straws the wheat and saves the chaff
With a most evil fan.

It is a condemnation of all prisons and all prison systems:

With bars they blur the gracious moon,
And blind the goodly sun;
And they do well to hide their Hell,
For in it things are done
That Son of God nor son of Man
Ever should look upon.

Because of Wilde's notoriety, *The Ballad of Reading Gaol* was published under the pseudonym C.3.3., the number assigned to Wilde at Reading Gaol—Block C, third cell, on the third floor. The poem was immensely popular. The first edition of 800 copies (plus 30 copies on vellum) sold within the first week and was quickly followed by a second edition of 1,000. Within three months there were six printings, and translations appeared in almost every European language. In 1899, Benjamin Tucker was the first to publish it in America as a book. It has remained one of the most published works in English.

Even the London *Times* devoted a lead article to praising it. Although *The Ballad* was poetry, it was received as a pamphlet on prison reform. The *Daily Chronicle*'s review was typical, concentrating heavily on the horrors of prison life rather than the poem itself.

Liberty devoted a column to reviewing this, as Tucker put it, "incomparable poem." He urged "every reader of *Liberty*... to help this book to a wide circulation by asking for it at the bookstores and newsstands in his vicinity." A fourth of the next issue's space was given over to reporting the response of other publications to *The Ballad*.

BRUTALIZING PUNISHMENT

Shortly after its publication Wilde wrote to George Ives, a criminologist and figure in penal reform: "I have no doubt we shall win, but the road is long, and red with monstrous martyrdoms. Nothing but the repeal of the Criminal Law Amendment Act would do any good." Wilde planned another work on prison life but died before it could be actualized.

It was imprisonment that killed Wilde. From a position of success and esteem he was reduced to sewing bags and sorting oakum. During his imprisonment, outside events played their part. His mother, whom he loved deeply, died. His wife divorced him and he never again saw his two sons, to whom much of his work had been dedicated. He was declared bankrupt and deserted by friends. On his release, he left England to avoid ostracism and scandal. But even in France, where he initially settled, many hotels refused to house him or to allow him to dine. Although he sent checks to prisoners he knew were being released, lack of money was a constant problem that inhibited his work. Other than *The Ballad of Reading Gaol*, Wilde produced no work of quality after his release.

Wilde's death was the result of an injury to his ear caused when he fainted one Sunday during compulsory religious services. Despite his complaints of great pain, Wilde was denied treatment for months. It was only through the pressure of his friends and some officials that he was eventually hospitalized for the injury. Unfortunately, it formed into the abscess that contributed to greatly to his death.

Although many people considered the "social conscience" revealed in *The Ballad* to be a sharp break with his past, Wilde had consistently opposed injustice.

Coming Next Month:

In the February issue, REASON author Tom Hazlett returns with a look at great moments in the history of that California club for "great intellectuals," the Center for the Study of Democratic Institutions. And longtime Center fellow Harvey Wheeler provides an insider's sketch of Center founder Robert M. Hutchins himself. Also featured in the issue is a REASON interview with bestselling financial author Howard Ruff, in which he talks about why he soured on gold, when the bad years will come, where to settle in for them, and more. Plus an explanation of "private voting"—and how it can be used to boost political clout; a success story about bringing the free market to the home-birth movement; and a tale wherein Peter the Hermit encounters the medieval HEW. Alan Reynolds will give his Viewpoint, and REASON's new Money columnist, Steve Beckner, will make his debut.

His sympathy toward penal reform can be traced back to *The Soul of Man under Socialism*, 1891: "One is absolutely sickened, not by the crimes that the wicked have committed, but by the punishments that the good have inflicted; and a community is infinitely more brutalized by the habitual employment of punishment, than it is by the occasional occurrence of crime."

When in 1886 a bomb exploded in the Chicago Haymarket, killing a number of policemen, it resulted in the dubious accusation and subsequent hanging of a group of American and German revolutionaries who became known as the "Chicago Martyrs." George Bernard Shaw began the thankless task of circulating a petition on behalf of the seven men. With one exception, he was unable to obtain a signature to protest the injustice. Of all "heroic rebels and sceptics on paper," wrote Shaw, "there was only one of them who had sufficiently the courage of his convictions to make a public gesture on behalf of the anarchists. This was Oscar Wilde."

Wilde's sympathy toward anarchists was shown again when a young poet, John Barlas, felt impelled by social indignation to commit an act of "propaganda by deed"—firing a revolver in the House of Commons. Although he and Barlas were not on good terms, Wilde stepped forward to bail him out and afterward stood as his security when Barlas was bound over.

FREEDOM IN ART

Throughout his career Wilde opposed censorship. The rehearsals for his play *Salome* were in their third week when, in June 1892, a license necessary for public performance was denied. The play introduced onto the stage biblical characters, which was prohibited by an ancient law whose original purpose was to suppress Catholic mystery plays. Wilde deplored this action in a lecture at the Author's Club and in interviews. In more dramatic moments he announced intentions to renounce his British citizenship. All to no avail. *Salome* was not produced in England until thirteen years later, five years after his death.

"With bars they blur the gracious moon, / And blind the goodly sun."

Wilde's opposition to censorship was broader than his desire to see *Salome* staged. It was deeply rooted in his art-for-art's-sake position. Art is autonomous, he maintained—independent of morality and all other nonaesthetic considerations. It must be judged as good or bad art solely in terms of aesthetic criteria, not by the standards of ethics. His position was capsulized in the preface of his novel *The Picture of Dorian Gray*: "There is no such thing as a moral or immoral book. Books are well written or badly written. That is all."

During his trials Wilde's commitment to freedom of expression and the autonomy of art were effectively used to discredit his character. His books were quoted as evidence of his depravity and the corrupt influence he had on youth. His refusal under oath to declare specific works "immoral" or to advocate censorship of these works helped to create the atmosphere in which he was sentenced to hard labor.

Today Wilde is remembered for his later plays, which satirized the moral, political, and social customs and standards of his day. He was a brilliant man with a tragic life, a life which—as Benjamin Tucker put it—was "one of strict conformity with the idea of equal liberty."

Wendy Grosscup is a free-lance writer.

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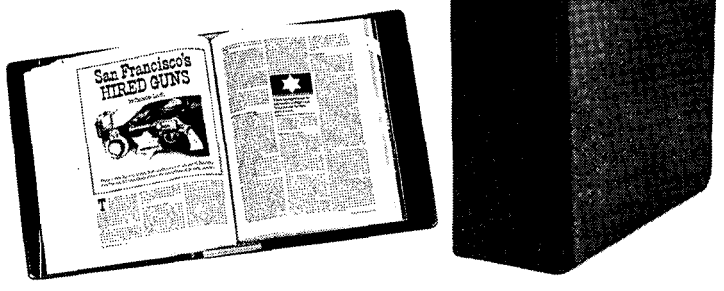

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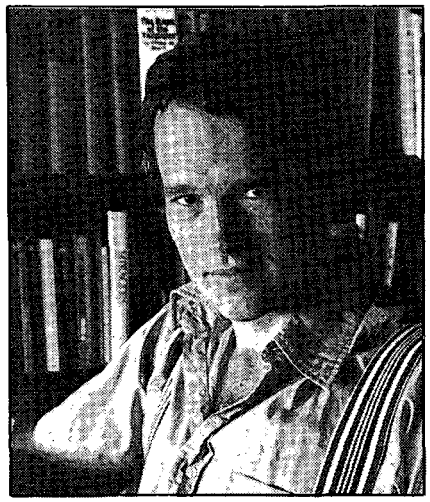
Amazing Writing

viewpoint



James Dale Davidson

Writing is something we slow down to do. It takes time to think, to sort out from among the many words the one that says what we mean. Writing is also an intimate exercise. It puts others in contact with the way one's mind works. At the crucial moment, when Gregory Corso is daydreaming about marriage to a beautiful woman in Connecticut and life is all snow and white houses with picket fences, he is ready to exclaim to the milkman, "Bring me penguin dust, I want penguin dust."

The really noteworthy writers are those whose turns of mind are so characteristic that only they could have written "Bring me penguin dust" at the right moment and have such a preposterous exclamation work. If you or I were to say the same thing, even in print, we would be stringing ourselves out for long moments of embarrassed silence. It would be like stuttering into your girlfriend's record-a-phone. It would not even help to call back and say, "That is not what I meant at all. That is not it, at all." T. S. Eliot said that; she would think you a plagiarist.

The preceding paragraphs are themselves examples of the sort to which they refer. They are characteristic Davidson. My mind does the improbable. It skips like a stone over water, touching several subjects before it sinks like a stone. Plop. That is another way of saying that I tend to see the weighty side of things. I have wondered why that should be long enough to have thought about characteristic turns of mind. Reading, trying to notice the way others think, I have come upon an interesting instance of that old adage that "madness is to genius near allied." Just as T. S. Eliot, and he alone, could write "The Love Song of J. Alfred Prufrock" and only Gregory Corso could have written "Marriage"—"bereft of 2,000 years and the bath of life"—so there are writers abroad in America, little read and little understood, who alone could have written the works they produced.

Anybody could sit down and put pen to paper and come up with a shopping list. Anyone could send a postcard—"Wish you were here." Anyone could write an angry letter to the telephone company or send a fan letter to the young Ingrid Bergman. But not anybody could have written some of the amazing titles (they are all honest folks) that I am about to review here.

When I say "review" I mean "mention," which is more than most of these works have ever received before. They never quite made it to the top of the New York Times bestseller list. Indeed, most of them never even made it to the Library of Congress or even *Books in Print*. But here at last, on these pages, we finally have a public recognition of works that achieve a kind of distinction. They reflect a turn of mind so characteristic, so personal to the authors, that only they could have written them. Consider:

- *We Never Went to the Moon*, by Bill Gaysing. The author says the Apollo landing was a fraud. After all, if we had gone to the moon, "why was there never a mention of the gold, silver, diamonds, or other precious metals on the moon?"
- *The Poor Man's James Bond*, by Kurt Saxon. This is the self-described "do-it-ourselves" guide to "mayhem," a book that informs anyone about how to fashion homemade hand grenades out of the leftovers.
- *Evolution: The Fossils Say No*, by Duane T. Gish, Ph.D. No more need be said.
- Another unique volume is *None Dare Call It Witchcraft*, by Gary North. He says that Cotton Mather was right.
- Another volume that only its author could have written is *The Reincarnation of John Wilkes Booth*, by Dr. Dell Leonardo.
- A classic that you never would have thought to write and even Harry Browne and other giants of the "how to" genre overlooked: *Raising Earthworms for Profit*. It may well be, of course, that raising earthworms is more profitable than writing for REASON magazine. If so, we have just another proof that character is fate. If I shared someone else's turn of mind, I could be a foreman on a worm ranch right now.
- But to do that, I'd have to change my fortune. I'd have to send away for *Ultra-Psychonics: How to Work Miracles with the Limitless Power of Psycho-Atomic Energy*, by Walter Delaney. That is the book that helped Susan H. become president of her club. After Sally L. read it, she immediately found her dream house. Larry S. put his Earth Forces to work during his lunch hour and doubled his salary. Miracles. And all for $8.95.

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spotlight

Competition Booster

Government intervention grows by leaps and bounds, and few people in business seem dedicated to the free market. Often the same ones who oppose OSHA and the FTC demand subsidies and regulations protecting their firms. Many people perceive business as just another special-interest group using a defense of the free market as a ruse to get rid of only the regulations it doesn't want. In a sense, business has become its own worst enemy and finds it increasingly difficult to make a credible defense.

David Boaz helped to set up the Council for a Competitive Economy to solve this problem. By uniting business organizations in a wholehearted support of the free market, he hopes to lend credibility to their call for less intervention. "The fact that the Council is a consistent defender of free enterprise," he says, "and never of special interests or privilege, helps assure that its voice is heard and respected."

Boaz, boyish-looking at 28, is already an old hand at politics. He has been publications director for Young Americans for Freedom and campaign director for Ed Clark when he ran as the Libertarian Party candidate for governor of California. During the last few years he has developed quite a reputation. Rumor has it that he can put together a press release in about a minute and that he scored 794 points out of 800 on his Law School Aptitude Test.

Asked why he became involved in the CCE, Boaz said: "I am particularly interested in economic issues, in freeing the economy, and I think that it is important that if we are ever going to do that, businessmen are going to have to fight for it. They are going to have to do it on the basis of principle. So the idea of an organization which would rally businessmen to a principled stand for the market was really exciting to me." Of course, "the chance to start it myself and really make a go of it on my own was an appealing aspect of it, too."

Serving as the council's executive director during its first year, he has built it up to five employees, a $350,000 yearly budget, and a few thousand members. It is already involved in a wide range of activities including lobbying and testifying before Congress, the publication of research reports examining regulations' effects, conferences, a speakers' bureau, and sponsoring ads about current issues in such publications as the *Wall Street Journal, Business Week,* and *Newsweek* and on radio stations around the country.

For starters, the CCE has dealt with trucking deregulation, the synthetic fuel program, and the Chrysler bailout. Boaz, with his characteristic dry sense of humor, notes that in support of trucking deregulation he "appeared at a White House press conference with the leading supporters of the free market—Jimmy Carter, Ted Kennedy, and Alfred Kahn." Later he testified before Congress. He feels that the proposed legislation represents a good start but that "more deregulation of entry as well as price" is needed. And the council, he says, "has an opportunity to become a leading supporter of trucking deregulation."

David Boaz

Next Boaz commissioned a critique of Carter's synthetic fuel program by Sheldon Richman, which received an impressive response. "It was covered by several energy newsletters, things like the *Energy User's Report, Energy Daily,* and other industry publications. We had a lot of calls requesting copies of it from companies in the synthetic fuel business, companies that use energy, law firms, even a couple of people from the Department of Energy, and even a fellow from *Energy Action* [a left-wing consumerist organization]."

Representatives Ron Paul and John Rousselot and Senator William Proxmire, as well as other members of Congress, have shown interest in the council. Future activities include an analysis of how much the federal government subsidizes business—"That is the first cut that can be made in the federal budget," he says; making the case for unilateral reductions in trade barriers; and ending interest rate controls on savings accounts.

He has thought about why people in business act the way they do, concluding that many of them are more concerned with the short-run than with the long-run consequences of their actions. But he admits that "a lot of them simply want government planning and government subsidies. It is not a question of short term or long term. They are just for it." Others believe it is he who is taking a short-run view. "They know that ultimately we are either going to have a free economy or a planned economy, a centrally-run economy, but they are afraid to take a principled stand today because 'The important thing is, you have got to lower that tax by five percent right now. So we have to pretend to be socially responsible and all of these things right now.' "

Boaz decided to head the CCE when he left YAF in 1978. "I left the organization basically because I finally decided that if I was a libertarian, which I thought I was, then I didn't belong in the conservative movement. I was probably one of the later libertarians to discover that. I had continued to try to convince myself that conservatives really wanted economic freedom and weren't all that bad on some of the other issues, that the younger conservatives supported civil liberties and the repeal of victimless crime laws and we are all going the same direction on economics. But the longer I was there the more I decided that that just isn't the case. The issues that really interest the leaders of conservative organizations are not economic issues. They don't particularly want to work on free-market and lower-tax projects. They are interested in hawkish foreign policy and really in repression of other people's lifestyles."

After he left YAF he served for an "exciting three months" as campaign director for Ed Clark's 1978 gubernatorial race in California. "From the first day, I realized how much happier I was doing that. At last I was really working for what I did believe in, and I never regretted

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taxes

Investment Dividends

Remember, back in early 1977, when the world was stunned to find that President Carter didn't owe any (gasp!) taxes? And then he made one of his famous image-making gestures, "donating" $6,000 because "everyone should have to pay something." An asinine statement and gesture, to be sure, indicating his contempt for the law, which said he should pay *nothing*. But get this blockbuster: he *really* owed income taxes on the order of about $15,000—except, that is, for one little "loophole": the investment tax credit.

You see, the president would have had to pay that $15,000 if he hadn't taken advantage of one of the myriad tax rules that help out the vigilant taxpayer—in this case, the investment credit. The pity of it is, lots and lots of people don't even know about it, much less use it when the opportunity arises. And there are many, many people who can.

The investment credit was proposed as a "temporary measure" by a newly elected President Kennedy in 1960. It was meant to "stimulate" the economy by offering an incentive for businessmen to invest in additional business equipment. The incentive was a tax break on the order of seven percent of the cost of the equipment purchased. A ductile Congress passed the measure. And it was very popular. In time, the credit was raised to ten percent of the cost of the new (or used) equipment acquired, and in 1978 it was finally made permanent by a tax-conscious Congress.

Here's how the thing works: the credit applies only to what they call "Section 38 property" (because the tax break is laid out in Section 38 of the Internal Revenue Code), which includes "tangible personal property" used in your business or job (which rules out things like patents, copyrights, and business goodwill). It also includes tangible property used as an integral part of manufacturing, production, extraction (such as mining or fishing), or the furnishing of services (such as electricity, communication, transportation, gas, or water). Although buildings and their structural components generally don't qualify—except for specialized structures such as farm sheds and greenhouses—elevators and escalators did get slipped in. Livestock, except for horses, also qualify.

There's another catch, too. You can only claim the investment credit *in the year you put the property into service*. This is crucial, for if you don't claim it at that time, it's lost. One businessman bought about $75,000 worth of laundromat equipment in December and needed to get the credit that year. "You've got to get it into service by December 31, or we can't take the credit until next year," his tax man said. The entrepreneur hustled, and the gear was installed around the last day of the month. He received a $7,500 tax break that year for his trouble.

Now don't go jumping on an imagined investment credit yet. There are still other qualifications. The equipment must have a "useful life" (which means you've got to depreciate it on your tax return) of at least three years to get any credit at all. If the life of the piece of gear is at least three but less than five years, then you get one-third of the 10 percent credit. If the useful life is five or six years, then you can claim two-thirds of the 10 percent credit. And if the equipment will last seven years or more in its use to you, then you get the entire 10 percent break (that is, 10 percent of the cost of the equipment will be taken off your income tax bill).

All right, what kind of stuff are we talking about, in plain language? Basically, it's any piece of "capital" property that you use in your business and depreciate over the required periods of time.

Do you use your automobile or truck in your business and get a deduction for gas and repairs and so forth? If so, you can claim the investment credit (whether you use the standard mileage deduction or itemize car expenses).

Do you have an office that you furnish? Think about it: books, chairs, desks, typewriters, copying machines, carpeting, lamps, tables, adding machines... They're all eligible. If you have a home business, you'd most likely be able to claim the investment credit on the same furnishings.

How about a farm operation? Again: tractors, trucks, weeders, planters, cultivators, harrows, discs, cows, sheep, goats, etc.

For the manufacturing operation? All the equipment used in the manufacturing process will most likely be eligible.

As you can see, the possibilities for this little tax tidbit are great indeed. There are also many more rules and exceptions surrounding the investment credit in all directions (extra breaks for certain types of equipment, additional credit for certain types of businesses, etc.), so it's often best to have a tax specialist nail it down, particularly if the amounts of money involved are large. Since you now know about the investment credit, however, you can be sure to bring it to the attention of whoever handles your taxes.

If you care to take a shot at it yourself, you can pick up a Publication 572: *Tax Information on Investment Credit* at your local IRS office. You use a Form 3468 to take the credit, which attaches to your tax return when you send it in. Also, be aware that if the investment credit is taken for a piece of equipment, and then the equipment is discarded or taken out of service before the stated life, the IRS wants you to "recapture" that credit (however much you then become ineligible for) on a Form 4255.

Complex? You haven't seen *anything* in this column. It gets worse the more you delve into it. On the *other* hand, it saved Jimmy Carter around $15,000 on his 1976 tax return. And if the president can take advantage of such a break for buying peanut farm machinery, isn't it incumbent upon *all* of us to take a closer look at our own businesses?

—Tim Condon

spotlight

(*Continued from p. 40.*)

making that decision." Boaz found that "one of the exciting things about a Libertarian campaign is that you get to do a little bit of everything, since you have such a tiny staff." He "researched and wrote statements and speeches, issued the press releases, talked to the media, wrote the radio and television spots, directed our half-hour television program, stuffed all the envelopes, and took the mail down to the post office at night —everything there is to do."

David Boaz faces a difficult job now. As long as the government has the favors to give out, business will try to compete for them. But, as a council pamphlet states, "We have now reached a crisis."

—John R. Lott

movies

• And Justice For All • When a Stranger Calls • Yanks
• The Onion Field • The Life of Brian • Patrick

• The unwieldiness and corruption of the American court system are widely known: plea bargaining, trade-offs, vindictive judges, incompetent public defenders, lawyers who get murderers off on a technicality to kill again. **AND JUSTICE FOR ALL** blasts the audience with all these defects at the same time. Possibly this wholesale indictment is true, or possibly Baltimore (where the story is set) is not typical, or possibly the writer and director are giving us only one side of the case.

At any rate, the film uses a sledgehammer when more finely honed instruments would have been more effective. That this is so is undoubtedly the responsibility of the film's director, Norman Jewison, who customarily handles his films in this way: to make sure that his point is grasped he resorts to overkill. This film opens with a view of the courthouse steps, and instead of music a little girl is reciting the pledge of allegiance to the flag. The irony is obvious before the recitation has gone on for half a minute, but Jewison has the pledge repeated three times, just to make sure we won't miss it. His presence as director is the film's chief liability, as the presence of Al Pacino as "the lawyer with feeling" is its chief asset.

There is indeed much human drama in this film and lots of powerful feeling, but the plot tries to incorporate so many stories (cases) simultaneously, moving from one to another and then back again, that some dramatic impact is lost. The method does yield a kind of cinematic pastiche of a lawyer's life, which is sympathetic and rather convincing. The diversity of story lines is not as offensive as the heavy-handed manner in which the whole thing is presented. Even when a tale is true, one is less convinced by it if one feels that the deck has been stacked.

—John Hospers

• This has been the season for terror, horror, monsters, blood, gore, and interplanetary aliens. What has mostly got lost in the scuffle is the good-old-fashioned thriller à la Hitchcock—deftly paced, plot line clear as crystal yet filled with mystery, and with suspense coming out of its ears, including plausible surprises to throw you off balance every time you think you have it figured out. There are still attempts at this genre, but most of them aren't very successful, and sometimes one is inclined to conclude that this specialized art is doomed to die with Hitchcock.

Happily, such fears now seem to be without foundation. The best thing of the kind to come along in quite some time is **WHEN A STRANGER CALLS.** To give away any part of it before you see it would be to spoil it. All one needs to say is that, of its kind, it's the best thing since *Halloween*, and that is high praise indeed.

—J. H.

• Noncomic films might be conveniently divided into two types: first, those which are tight and intense, never a moment wasted, unities—with all the parts so organically related that to miss even a small sliver of it would be to tear a gash in the whole structure; and second, the large, long, sprawling epics, rich in characterization and atmosphere, in which the unfolding takes considerable time and a sense of the whole may be lost owing to its complexity or capacity for confusion. Only occasionally does a film incorporate the best of both types: a current example is *Soldier of Orange*, which is still for my money the best film thus far in 1979.

YANKS definitely belongs to the second class, and it is such that it should be savored, in a relaxed manner, absorbing its large amount of detail along with the developing characterizations and mood. There is no moment in it that is terribly intense, but it does give a plausible recreation of England in 1943-44, when it was being overrun by American soldiers.

There isn't much war in the film, except in the last few minutes; one isn't even reminded of the tense conditions of war that overlaid all English life at the time. Most English cities were bombed from time to time, but none of that occurs in this film, set in the north of England, dealing with the interactions of American and British troops and residents during the war years. To today's teenagers the sexual reticence of the characters in *Yanks* is so great as hardly to be believable, although only 35 years have passed since then. But director John Schlesinger, himself an Englishman, handles it all with gentle realism and without condescension. It's not that he is unable to do something with slashing intensity—the first 10 minutes of his *Midnight Cowboy* convey more of a feeling for the pulsebeat of Texas than a hundred films which are set there—but in this case he apparently preferred to indulge his feeling for English characters and countryside, dwelling on them so lovingly and languorously that we don't mind being steeped in it all for two and a half hours.

—J. H.

• Justly dissatisfied with cinematic treatments of his previous books, Los Angeles cop-turned-author Joseph Wambaugh decided to do **THE ONION FIELD** himself, producing it with his own money in order to avoid studio interference. He did achieve great fidelity to events and actual locales, so much so that the scenes that had to be invented—such as domestic scenes between detective and wife, even some of the subtle touches added by the excellent acting of James Woods as the criminal and John Savage as the detective—seem quite contrived by comparison. Apart from these invented scenes, the film proceeds much like a documentary, in the tradition of Truman Capote's *In Cold Blood.*

For this authenticity, however, a price is paid. Episodes that could and should have been condensed or omitted for the sake of preserving the dramatic rhythm were left long and detailed because "this is the way they actually happened." The viewer becomes bored at yet another legal appeal of the murder case (anyway, the film has shot its bolt during the first half), and the result is that the last hour of the film drags, ending in a strange kilt-parade episode which takes a bit of figuring out just to see the relevance—and when one sees it one does so intellectually; one doesn't feel it: one is either so turned off or so bewildered at the end that one has to recall the power of some earlier episodes, such as the suspense just prior to the murder itself, in order to leave the theater with the remnants of any genuine emotion.

What the film quite unintentionally illustrates is that a good fiction is more convincing than a slice of history, however faithfully the history is rendered. By

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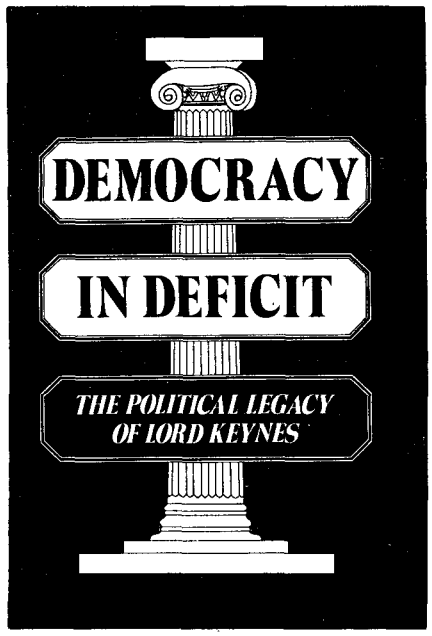
books

Democracy in Deficit

By James M. Buchanan and Richard E. Wagner.
New York: Academic Press. 1977.
195 pp. $14.50

Reviewed by Joe Cobb



The issue of amending the US Constitution to force the balancing of the federal budget will gain momentum in the coming year. The politics of the presidential race and the tax-cut movement will intertwine. In the long run, we may see an amendment to limit government spending—along the lines advocated by Milton Friedman—rather than an amendment to balance the budget; but the real issue for libertarians has little to do with the arguments advocated on either side of the debate.

Buchanan and Wagner have written an impressive, scholarly book on public finance. Subtitled "The Political Economy of Lord Keynes," the discussion in *Democracy in Deficit* ranges between the economic theory of public finance and the political principles implicit in modern macroeconomic theory. Their conclusion is that the popular neo-Keynesian theory that a central government budget deficit is necessary to stimulate the economy is not only false but, in a democratic society, dangerous. The true price of government-provided services is held at an artificially low level when deficit financing is the means of paying the bill. The taxpaying public is in the short term fooled into supporting welfarist politicians.

We might agree that government budgets should be balanced but disagree over the method of achieving that balance or disagree over the appropriate time frame. Even the Keynesian approach advocates balancing the budget over the business cycle: running a surplus during a boom and a deficit during a bust.

The method of achieving that balance, regardless of the time frame, is an even more sticky issue. Would anyone, besides President Carter, advocate balancing the budget by increasing taxes? This idea might indeed be the net result of an amendment to the Constitution that required an annual balanced budget. Professor Laffer has argued, with good logic and empirical evidence to support it, that cutting tax rates at the margin will so stimulate the supply of goods and services that government revenue would in fact increase, leading to a balanced budget. This is the Kemp-Roth approach.

Just for the record, the radical libertarian approach to public finance advocates a deficit budget—as a corollary consequence of tax resistance. Milton Mueller, director of the Students for a Libertarian Society, advocated as much in a recent issue of *Libertarian Review* when he suggested that instead of attempting to elect a legislative majority to cut the size of the State, the popular support for libertarian ideas could better be marshaled and realized if the people who otherwise might vote for a libertarian legislator would instead, via direct action, merely stop paying taxes.

Milton Friedman, hardly a radical libertarian, supports a variant of this same idea when he argues that government spending can only be reduced when the budget is in the red, because elected officials will always be led by an invisible hand to spend every available cent they collect. He supports tax cuts regardless of the deficit situation, as a way of forcing cuts in spending. His proposal to limit government spending absolutely, regardless of the budget deficit, is another version of this central idea.

This debate will go around in circles, without any clear resolution. Libertarians will be found in every corner, with the radical libertarians plaguing all who support taxation in any form.

Buchanan and Wagner, however, in one excellent chapter entitled "The Presuppositions of Harvey Road," raise the issue of government economic policy itself. The presuppositions that underlie the theory that budget deficits are necessary to "fine tune" the economy over the business cycle are fundamentally totalitarian. Keynes and his followers believed that a wise, aristocratic elite can run the economic policy of the government, much as a benevolent despot would, to assure full employment, prosperity, and welfare benefits for all. The relative immunity of this wise elite from democratic processes is the assumption behind their proposal for budget surplus during the boom years—a phenomenon that never surfaces in the real world.

More significant, however, than the specifics of the false theory of the neo-Keynesians is the constructivist fallacy on which it is based. This is the contribution of Prof. F. A. Hayek to modern social theory. The constructivist fallacy is the belief that by specific design and direct action the government *can* improve society. The fallacy assumes that society is static, or mechanistic, in its functioning. Because society is dynamic and made up of individuals, of course, the constructivist point of view is erroneous; but this has never stopped economists from proposing one gimmick after another to "fine tune" the system. Buchanan and Wagner, by arguing for an amendment to the Constitution to outlaw deficit financing, are in fact advocating that constructivist economic policy be forever banned from these shores.

Not surprisingly, many economists are opposed to the idea of a constitutional amendment to achieve this. Milton Friedman's proposal, for example, to limit spending but not to require a balanced budget retains elements of the constructivist fallacy. His well-known formula for limiting the rate of growth of the money supply is another example, because it stipulates a rate of increase "consistent with long-run stability of the price level." Both F. A. Hayek and Ludwig von Mises would argue that a stable price level is a nonsense concept, and tinkering with the supply of bank reserves—even under a "monetary rule"—is an attempt to outsmart the market process.

The market process cannot be outsmarted or improved upon by government economic policy. It can only be constrained and forced to a lower level of economic welfare for the society as a whole by government restraints on trade. Buchanan and Wagner, to their credit, have now carried this argument to the macroeconomic level. Not only will free markets and unrestrained trade optimize the allocation of resources and general welfare of every participant in the market, the "chains of the Constitution" clamped upon the meddlesome hands of the macroeconomic policymakers will produce a healthful climate for economic freedom and genuine economic growth without inflation. ◻

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Markets and Morals

Edited by Gerald Dworkin, Gordon Bermant, and Peter Brown.
New York: Halsted Press, John Wiley & Sons. 1977. 195 pp. $12.50.

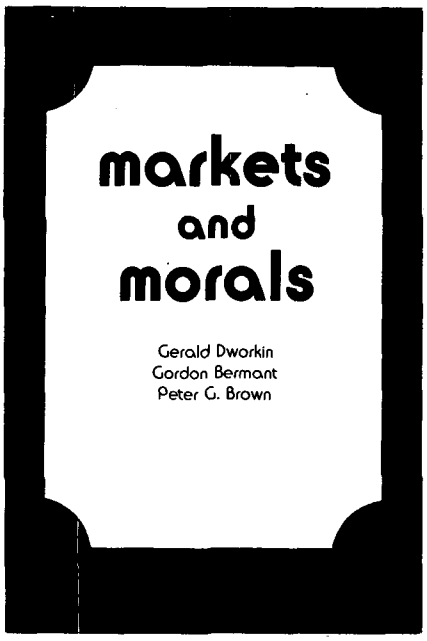
Reviewed by Eric Mack

If you are looking for a representative sampling of what current academics will say if invited to discourse on the topic of markets and morals with special regard for the proper role of free markets in the "provision" of health care, this is the book for you. Although the essays collected here were originally written in 1974, they still provide an accurate gauge of how much libertarianism there is and isn't in the ivy halls.

One knows from the first sentence of the introduction that this anthology will be loaded with annoyingly unrecognized collectivist assumptions. For that first sentence speaks of "the appropriate criteria that should govern the production and consumption of various goods." Notice the assumption that there are such aggregative things as "the production" and "the consumption" of various goods. Then there is the more invidious assumption that there is some angelic perspective from which people (or depersonalized "criteria") can and should decide what shape and size this production and consumption is to have. Whether or not "the market" is to be allowed depends upon whether or not its operation conforms to these angelic "appropriate criteria."

The editors, no doubt, think that they're being open-minded. They're prepared to consider the claims of any collective social goal that might present itself as defining "the appropriate criteria." That there may be no such goals and no use for them because the proper freedom of individuals is not to be read off from such a collective end is beyond their consideration. So, implicitly for the editors and explicitly for most of the contributors, it is in terms of conformity to some collective and angelically appreciated end that these questions, for example, are to be answered: "Should people be allowed to buy drugs or sex? Should people be allowed to sell blood or organs of the body?" Allowed by whom? By the omnipresent "we"—the mythical being who grooves on "the appropriate criteria" and exacts the fitting sacrifices from mere individuals.

Not a single essay in this collection questions that there is a right to health care—or at least a right to the means of acquiring health care. Free-market relations are, however, given some defense as useful social devices. James Buchanan's essay suggests that many complaints against the market really, from the perspective of those complaining, ought to be directed against the unequal endowments with which individuals enter market relationships. But why do we find that contemporary liberals push for inefficient market interferences instead of "efficient" direct transfers of wealth? Buchanan suggests that inefficient State interferences decoy such liberals away from direct attacks upon the underlying inequalities, and he seems to think that this is for the best. But it is unclear who is decoyed and who is decoying. Are these liberals really interested in social utility —but too stupid to opt for the efficient route? Or is their first love control and domination? See, below, the case of Lester Thurow.



Reuben Kessel's essay traces the scarcity of physicians and of medically useful blood to the absence of true markets in medicine. In their introduction the editors so expect their readers to find Kessel's claims astonishing, that they feel the need to italicize "*too little* free enterprise." Can you imagine? Someone actually thinks that the State might be too extensive! The editors and their anticipated readers can take solace, however, in Kessel's acceptance of the State as an instrument of forced redistribution.

In contrast to these two essays, papers by Bernard Barber and Walter Weisskopf illustrate only how much slop one can get away with if it's conventional slop. Gerald Cohen labors extensively and successfully at presenting to us, once again, the Carlylian-Marxian account of the corruption of the world by Money.

Lester Thurow's essay is a gently fascistic illustration of the principle that he who pays the piper calls the tune. Thurow is out to argue against mere cash redistribution and in favor of actual government provision of various goods and services (in-kind benefits). His essay partially reveals why modern liberals will always prefer massive welfare programs and state "social services" to Friedmanite negative income taxes. Thurow's argument is simple. Given normal assumptions, cash grants involve greater utility gains for their recipients (the "donees") than would comparably expensive grants in-kind. For cash grants allow the "donees" to purchase whatever they most prefer. But, says Thurow, we must also consider (but not *too much*) the utility of the "donors." Maybe they don't derive utility from the donees' utility. It could be they are only satisfied if the donees receive certain specific goods (e.g., air bags) or services (e.g., civics lessons). The donees' interests are to be advanced—but only in ways that please the donors.

What gives the donors the right to insist that their "donations" be used in ways that advance their own utility? Not the fact that the donors have a right to these resources, for they *must* "donate" them. Who or what, then, decides how these "donations" will be employed? You guessed it. The great we—"society" with its "social norms." Furthermore, "society" has the noble task and right of preserving itself by means of in-kind succor which promotes reverence for "society" and its mission. So we must have public schools to inculcate "the basic values of society." And drugs must be prohibited and State rehabilitative systems maintained because "society requires positive commitments to its

values." People are too stupid to make the choices that Thurow with his special "individual-societal" preferences divines for them. So providing them with the cash means of implementing their choices would be foolish. "No amount of cash income redistribution can solve the value creation problem."

Peter Singer joins Thurow, Weisskopf, and Cohen in doing what Buchanan innocently disbelieves in, to wit, consciously attacking market relationships *per se*. The interesting part of Singer's essay consists of a recounting of Richard Titmuss's claims in *The Gift Relationship*. These are intriguing and well justify Singer's paper despite his too quick inferences. Roughly summarized, Titmuss seems to have found that allowing the purchase and resale of blood reduces the total amount of blood available. The explanation for this seems to go like this: (1) Many people will freely donate blood if they see it as providing others with a vital good that these recipients could get in no other way, but they will not freely give blood if they see such a donation as merely earning for themselves the standard commercial payment or as merely freeing a blood recipient from payment of some standard fee. (2) Many people will see any giving of blood in the latter way if commercial blood transactions exist in their society. So allowing the sale of blood—Singer would say: making it into a commodity—actually decreases the amount available. Moreover, it undercuts the desirable fellow-feeling connected with pure gift giving.

Charles Fried's essay offers some plausible, albeit undeveloped, criticisms of Chicago school accounts of rights and a wholly implausible argument for the right to health care. Here is the argument as far as I can make it out. (1) Rights are somehow presupposed by bargaining. (2) To be a bargaining agent one has to be a self. (3) To be a self one must have bodily integrity. (4) Therefore others are obligated to provide one with the material conditions of bodily integrity. Convinced?

Finally, the most interesting essay in this collection is Thomas Scanlon's response to one traditional libertarian line of argument. This line starts with the simple and modest demand to be left alone—Herbert Spencer's right to ignore the State (and be ignored by it!). In Robert Nozick's *Anarchy, State, and Utopia* this argument is presented in terms of emigration. Surely everyone acknowledges a right to move out of a given country. Why, then, not a right of *internal* emigration—a right to disassociate from the State in all or some respects without geographical displacement?

Scanlon's counterargument is to deny the analogy between external and internal emigration. Like the external emigre, the aspiring internal emigre wants to leave with his property intact. According to Scanlon, however, at least above some primitive level property is held as an institutional and not a natural right. One has a right to various holdings by virtue of living under certain societal-institutional rules—rules under which one's property is properly subject to taxation and regulation. Since the property rights accorded one in a Scanlonian social contract cannot be divorced from that property's being subject to taxation and regulation, one cannot opt out of these burdens and still retain one's property rights. If one ignores the State and is ignored by it, one cannot retain one's State-conferred rights. A critique of Scanlon's position is left to the reader.

I began this review by hinting that the only overall virtue of *Markets and Morals* is as a sample of the current academic climate. The moral of this review is not that all the contributors excepting Buchanan and Kessel are scoundrels or fools—though some certainly are. Rather, my point is to emphasize how far the defense of liberty has to go. Fried, Scanlon, and Singer are substantial and influential intellectual figures. And they are just a sample of the hundreds of individuals of equal stature whose closest approach to libertarianism is a defense of a sanitized version of the status quo. In contrast, whether one needs a second hand to count the libertarians of equal stature depends upon how loosely one uses *libertarian*. A reorientation in the academic-intellectual climate has, at best, only just begun.

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Privacy: How to Protect What's Left

By Robert Ellis Smith.
New York: Anchor/Doubleday. 1979.
346 pp. $10.

On April 29, 1979, CBS News correspondent Mike Wallace interviewed Johnny Carson on "60 Minutes." There quickly ensued debate about how much Carson makes on the "Johnny Carson Show."

CARSON: Nobody's ever quoted my salary correct, and that's always—that—that's always intrigued me. Nobody has ever had the figure right.

WALLACE: You—you know what? You have the opportunity at this moment before forty or fifty million people to straighten us all out.

CARSON: What do *you* make a week?

WALLACE: I'd be ashamed to tell you. (Carson laughs.) But no one's ever gotten your salary right?

CARSON: No.

WALLACE: It's a lot more, what you're saying?

CARSON: I didn't—I'm not going to say anything.

WALLACE: No, I know you're not going to say anything, but it's a lot more than anyone has ever said. I've read 2.7 million. Well, I add a million to that. And it's a—and it's more than that.

CARSON: Who said that?

WALLACE: I know. And— (Carson laughs). You laugh, but I know. Why are you so sensitive about being asked about how much money you make?

CARSON: Because I was raised in the Midwest, where it was considered impolite to ask somebody how much they made or how much—

WALLACE: But nobody ever made five million dollars a year in the Midwest.

CARSON: —or how—what—when is—when did it get there? I was taught that it was impolite to ask somebody what they paid for a car or a suit; or if you walked into somebody's home, it would never occur to somebody to say, "What did you pay for this house?" And yet somebody asked me that at a party a couple of weeks ago.

WALLACE: Really?

CARSON: He said, "What did you pay for your house?" And I said, "It's none of your damn business." Which it wasn't.

This exchange on "60 Minutes" reflects the bare-all society in which we now live, where the press, government, and corporations intrude on every aspect of our lives. Nothing is too sacred to be discussed openly in front of millions of Americans, whether it be the intimate details of a divorce, a financial scandal, a sexual affair, or a family tragedy.

Robert Ellis Smith knows. He's the editor and publisher of *Privacy Journal* (Box 8844, Washington, DC 20003), a fascinating newsletter detailing the ongoing threats to privacy. He's put together a book that will open your eyes to how federal agents, large corporations, and the press find out details of your personal and financial lives.

Did you know, for example, that your credit bureau files are available to practically any investigator? that your tax returns are open to other government agencies if properly requested? that any files held by your tax accountant or investment advisor have no client privilege in a court of law? that, armed with your social security number, a private eye can discover details of your bank account,

credit records, and other closely guarded secrets? Smith provides surprising data on mailing lists, medical records, insurance files, employment records and, from a personal point of view, threats to telephone privacy, electronic surveillance, fingerprinting and lie detectors. Smith's *Privacy* is an encyclopedia of vast information on the privacy issue.

You can stop the snoopers, however difficult the task may be. Like Johnny Carson, refuse to tell strangers your income or how much you paid for your car or house. Concentrate on private investments—gold, silver, bearer bonds, diamonds, collectibles. Don't display your wealth. Deal with reputable companies that will insure your privacy. (Aetna Life & Casualty, for example, just started a campaign to increase privacy in your insurance records.) Smith lists dozens of ways to reduce your profile and become once again a private individual. He tells you how to get off a mailing list, how to correct your credit bureau reports, etc.

In sum, Smith's *Privacy* is your key to privacy—buy it at the bookstore, and pay in cash.

—Mark Skousen

Herland

By Charlotte Perkins Gilman.
New York: Pantheon. 1979. 147 pp.
$8.95/$2.95.

The rebirth of the women's movement in the United States has given rise to a new interest in literature written by women. Works that, for better or worse, have fallen into obscurity and out of print are being revived and studied by a new generation of women and men curious to learn what their predecessors thought about feminism. *Herland*, by Charlotte Perkins Gilman, is one of these "found" books. A utopian, feminist novel, it first appeared in 1915 in a magazine Gilman published herself.

The story involves three male adventurers who chance upon an isolated country inhabited solely by women, who not only have developed a complete society but have the ability to bear children parthenogenically. Thus, Gilman has set up a situation in which men are not biologically necessary and has placed her three male characters smack in the middle of it. How they adapt to their plight has much to do with their individual characters.

The focus of all activities in Herland is motherhood, and the society that has developed is "miraculous" in that Gilman provides no economic or sociological justifications for it other than the tremendous motivation of these women to provide the best for their children. Gilman believes that women have unique qualities that, if allowed to flourish, benefit society. In Herland, these qualities have surfaced.

Gilman apparently regarded Herland, not as a normal and desirable state of affairs, but merely as an extreme for exhibiting the heights to which women can rise when unhampered by the false assumptions of traditional society. She wrote a sequel to *Herland—Ourland*—in which the balance between man and woman is restored.

Like so many utopian novels, *Herland* sacrifices story line to ideology. The read is often slow. But the real reason for reading *Herland* is not for its plot but to see what a woman in 1915 thought about the role of women. If you are seeking this kind of understanding, your interest will find its way.

—Susan Love Brown

The Technological Society

By Jacques Ellul. Translated by John Wilkinson.
New York: Vintage Paperbacks. 1967.
449 pp. $2.45.

For Jacques Ellul, *technique* is a devil-word: it refers to an invisible web that holds modern man enthralled, pampered, and blinded. Ellul, the social critic, has an aversion for the technical organization (and frame of mind) that underlies a technological society. As a sociologist, he divides the subject of his ire into three principal subdivisions: economic technique, technique of organization, and human technique. He goes into considerable detail about these aspects of the total system in *The Technological Society*.

Despite his insistence that he wrote this book as a dispassionate observer of technique, a personal philosophy dominates what is ostensibly a work of sociology. In the foreword, he says: "The reader deserves and has my assurance that I have not set out to prove anything. I do not seek to show, say, that man is determined, or that technique is bad, or anything else of the kind." Remove the negatives from those sentences and you'll have a thumbnail sketch of what Ellul's book is all about. *The Technological Society* is an attempt to define technique, historically, when it played a subordinate role to moral conscience (that is, when it was tradition), and in the industrial/technocratic age where it is the force that guides men's lives. Speaking of technique today, Ellul says it is that which dehumanizes man.

Although Ellul has something of worth to say as a social critic (he laments the advent of universal standardization), he must finally be judged as a dishonest philosopher, vainly seeking to deny he has a thesis. Ellul does not like machines, but he does not attack them outright. He would blame the machine age for his disaffection, but he does not attack the machine age outright! Instead, he gives us *technique*, an elastic term that means whatever Ellul chooses.

What it comes down to is that it is practically impossible to draw a distinction between tradition and technique—as Ellul does—without Ellulian philosophy. We are told that where technique is concerned, man does not exercise control; technique governs its own autonomous development. It is so pervasive that there is no part of our lives in which it does not apply. Technique takes away our freedom. Ellul dismisses the differences between the United States and the Soviet Union as superficial because technique holds dominion over both. Humans, we are told, are in no way the agents of technical progress.

Essential to his thesis is the personification of technique. It is his own personal demon. To touch this force is not to modify it but to become seduced by it. To abstain from technical pursuits is to be free.

It is peculiar that someone who says he takes no position on his subject can also say: "In discussing technique today it is impossible not to take a position. And the position we take is determined by a historical choice, conscious or unconscious." This appears to be a contradiction, but it is difficult to pin Ellul down. He has constructed the verbal equivalent of an elaborate optical illusion; to focus on one part is to obscure the rest from view. The art of what he has accomplished is that you could quote an entire chapter and still be open to the charge of quoting out of context. Technique, it seems, creates its own context.

What would the world be like without technique? It would be Ellul's utopia, industry restricted to the cottage level and man living close to the earth—a picture portrayed idyllically more and more these days. There is a naive agrarian

anarchism here, but let us not mistake this for any sort of respect for human liberty.

Given nourishment, Ellulian thought could lead to a Luddite revolution where the masses rise up to smash the machines that make their life possible. Ellul would not be part of such an upheaval, but only because he would object to the disruptive noise and bother of it all. He would prefer changing people's attitudes so that, in time, new machines would not be made. And so would begin the great retreat back into the simplicity of a new Dark Age.

The West can ill afford to take Ellul or his ilk seriously. In a world where the differences between good guys and bad guys are anything but superficial, the idea of an autonomous technique should be dismissed as fantasy.

—Brad Linaweaver

movies

(Continued from p. 42.)

cutting some historical scenes, and adding some fictional touches that would have contributed to the essential rhythm and dramatic structure, the impact of the film would have been much greater. Art is not a carbon copy of life; if it were, one would prefer the original. Even to give the artistic impression of truth, you would have to leave most of the literal truth behind. This is what the filmmakers forgot, and it seriously weakens this film as drama, though it remains eminently worth seeing.

—J. H.

• When Jesus lived, there was no electronic sound amplification, nor even megaphones. When a family quarrel breaks out in the crowd to whom he is addressing the Beatitudes, some people get the words wrong. "Shut up, I want to hear what he's saying!" "Did he say blessed are the cheesemakers? What's so special about cheese?" "No, it's an allegory—he means *all* dairymakers." "Blessed are the meek" becomes "blessed are the Greek." What such dialogue, ostensibly just comedy, tellingly points up is the great difficulty in a prerecording age of knowing who really said what, when there was no written word. The first of the Gospels to be written (St. Mark) did not exist till some 30 years after the events depicted. If "the word" could so easily be misrepresented at the time it was uttered, less than 500 feet away from

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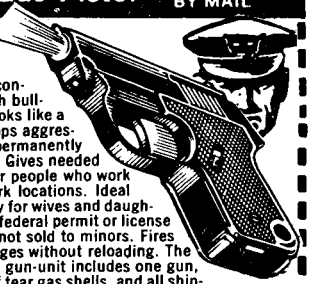

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Chemical engineer Eugene Guccione takes the government to task for its zero-leasing policy on coal lands and recommends their return to private hands and to the law of economics, not bureaucracy. Also in this issue: Alan Reynolds lambastes Carter's War on Energy as "the political impulse to penalize productivity"; Carl Cahill describes his battle with the city of Chesapeake over the right to drink water from his own well rather than water piped through the city's contaminated asbestos pipes; David Levy takes on FDA saccharin testing; P.T. Bauer on Third World realities; and Jeffrey St. John on the evils of national health insurance.

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its point of origin, what enormous opportunities for distortion, elision, and wishful thinking could occur in the span of a generation! Of this historical point and many others, including the extreme poverty in which most people lived (which one would not have gathered from seeing a Cecil B. DeMille biblical epic), we are pointedly reminded in **THE LIFE OF BRIAN**—Brian being someone born at the same time as Jesus in the same series of mangers, so that the three Wise Men first mistake him for the real thing.

Brian also gets mistaken for the real thing later, owing to an accident caused by a search party of Roman soldiers. He doesn't want to be messianized, he just wants to do his own thing and let everybody else do the same, but they are determined to worship him nonetheless. "I'm not the Messiah!" When they respond that only the true Messiah would dare deny it, he says, "All right, I *am* the Messiah!" and he runs away and they follow him wherever he goes, imitating his smallest and most accidental gesture. The comic implications of this situation are thoroughly exploited, while at the same time one is made to feel how plausible an account this is of how religions come to be born.

This brilliantly sacrilegious British film lets us know that (1) the Romans weren't such a bad sort after all, what with law and engineering and aqueducts and bridges; (2) if enough people want to make a god out of you they will do it whether you go along with the idea or not; (3) revolutionary movements make a big splash but in the end are hopelessly ineffective (the "Judean Popular Front" sounds just like the SDS in 1968). The film is an extremely clever and often hilarious comedy, but it cuts so deeply into popular ideas of the historical origins of Christianity that those who either embrace Christianity or are emotionally under its influence will not be amused at seeing it spoofed. And this is no light spoof; it goes to the jugular: through the comic surface many of the scenes depicted contain deep barbs whose impact is inescapable. It is fortunate for the cast that the whole thing was filmed in Tunisia.

—J. H.

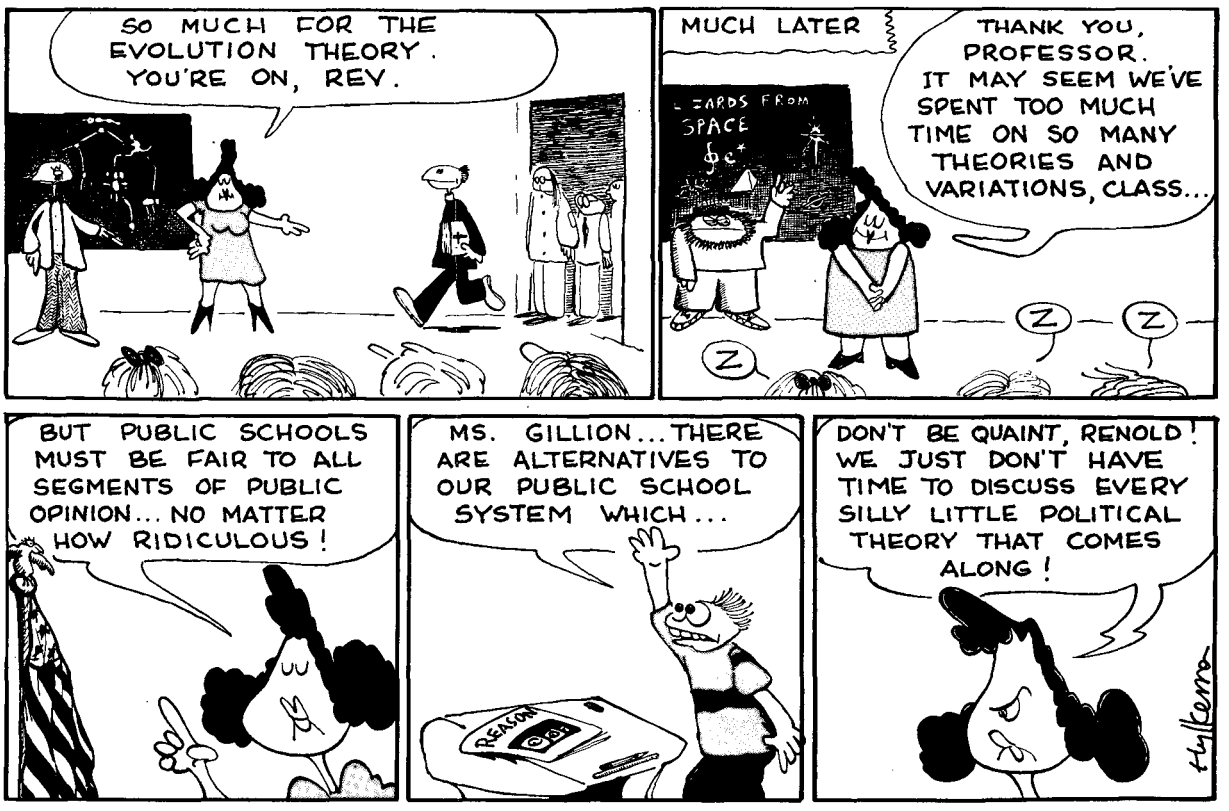
• The influx of Australian films continues, and Americans are the clear beneficiaries. In subtlety and complexity of texture, **PATRICK** doesn't come up to its predecessors. But it's a good scary picture, and presumably for this reason it (unlike the others) is receiving wide distribution in the States. The tension built up grows naturally out of a situation that is plausible once you accept psychokinesis as a fact or suspend disbelief about it. Psychokinesis has been used often enough in recent films, but never with such dramatic effect. The scene is carefully set, the details built up in a properly logical fashion, and then the surprises begin—surprises that are all the more meaningful because they are not unrelated intrusion into the plot but occur within the clear bounds of the psychokinetic premise on which the film is based.

Unfortunately, some of the effect is lost because the American distributors dubbed the film, so we don't hear the voices of the real speakers. Doing without the cold imperious voice of Robert Helpmann as the sadistic doctor removes one dimension of scariness. And the change is all for nothing: I have never known Americans to have difficulty in understanding Australian English nor, for that matter, any who objected to hearing it.

—J. H.

rudebarbs

by Randall K. Hylkema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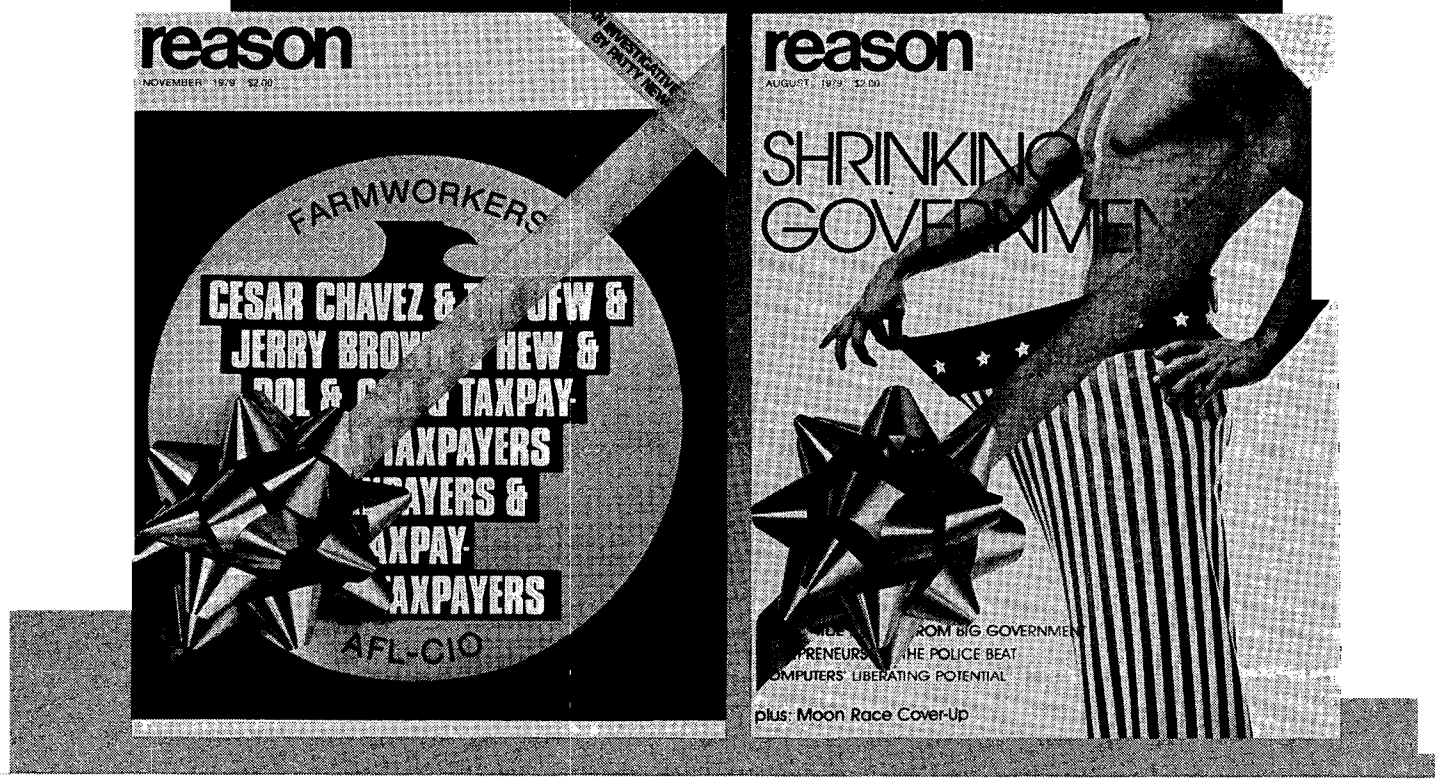

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by Brother Keith E. L'Hommedieu, D.D.

It's quite safe to say that of all the organized religious sects on the current scene, one church in particular stands above all in its unique approach to religion. The Universal Life Church is the only organized church in the world with no traditional religious doctrine. In the words of Kirby J. Hensley, founder, "The ULC only believes in what is right, and that all people have the right to determine what beliefs are right for them, as long as they do not interfere with the rights of others."

Reverend Hensley is the leader of the worldwide Universal Life Church with a membership now exceeding 7 million ordained ministers of all religious beliefs. Reverend Hensley started the church in his garage by ordaining ministers by mail. During the 1960's, he traveled all across the country appearing at college rallies held in his honor where he would perform mass ordinations of thousands of people at a time. These new ministers were then exempt from being inducted into the armed forces during the undeclared Vietnam war.

In 1966 Reverend Hensley was fighting the establishment on another front. The IRS tried to claim the ULC wasn't a legal church and proceeded to impound the ten thousand dollars in the church bank account. The feisty Hensley filed suit against the IRS in federal district court for return of the funds and to permanently establish the ULC as a legal tax exempt entity. On March 1, 1974 Judge James F. Battin ruled against the IRS in his decision which stated, "Neither this court or any branch of this government will consider the merits or fallacies of a religion. Nor will the court praise or condemn a religion. Were the court to do so, it would impinge upon the guarantees of the First Amendment." The judge then ordered the IRS to return the impounded money and to grant the Universal Life Church its tax exempt status.

Reverend Hensley has stated that he believes a church is people and not just a fancy building. He also believes in total freedom and equality for all people. The ULC will ordain anyone without regard to religious beliefs, race, nationality, sex or age.

The ULC's success formula is both effective and unquestionably legal. After a person has become an ordained minister, he or she can join with two other people and form their own Universal Life Church. These three people then make up the Board of Directors consisting of a Pastor, a Secretary and a Treasurer. The ULC will then grant the group the use of its legal church charter complete with both federal and state tax exempt numbers. The newly formed church may then open a bank account in the church's name. Any member of the church can legally donate up to 50% of his or her outside income to the church and take a corresponding tax deduction. The church in turn can pay the complete housing cost of its minister including rent or mortgage payment, insurance, taxes, furnishings and repairs. The church can also provide the minister with full use of an automobile as well as pay for travel and educational expenses. None of these expenses are reported as income to the IRS. Recently a whole town in Hardenburg, New York became Universal Life ministers and turned their homes into religious retreats and monasteries thereby relieving themselves of property taxes, at least until the state tries to figure out what to do.

Brother L'Hommedieu is Chairman of the Board of Trustees of the Sacerdotal Order of the Universal Life and serves on the Board of Directors of the International Universal Life Church, Inc.

Churches enjoy certain other tax benefits over the common man on the street. For instance, a church can legally buy and sell real estate or stocks and bonds completely tax free. It can receive tax free income from bank deposits or mortgages. Many churches own large publishing, recording, or other related businesses like hospitals, clinics and schools without paying any income tax.

A church can sponsor any kind of fund raising event such as a concert, play or even bingo. Churches are also exempt from paying inheritance taxes. When the pastor of the church dies, the Board of Directors simply appoints a new pastor and the church goes on.

Reverend Hensley has stated that he personally doesn't believe in the tax exempt status of churches. However, if the government is going to give a free ride to Billy Graham and the Pope, then why not let everybody participate in these blessings. Furthermore, he backs his words up by offering to defend in court the tax exempt status of his congregations.

Since the church was founded in 1962, it has attracted members who are movie and TV personalities, businessmen, government officials, lawyers, and doctors as well as all types of regular working people. During the last 15 years the Universal Life church has blossomed into a full blown grass roots populace movement. Reverend Hensley is ordaining ten thousand new ministers a week and predicts that the church will have over 20,000,000 members by the early 1980's. In addition, requests for interviews and TV appearances continue to pour in.

Anyone who is a member of the ULC will tell you that the ULC is destined to change the world. By unifying mankind into a brotherhood of freedom orientated individuals, each respecting the other's right to live life as they see fit, the Universal Life Church hopes to put an end to all wars. Reverend Hensley admits that this is a pretty monumental task to accomplish, but he also points out that he is already well on the way to reaching his goal.

Rev. Hensley invites all those interested in becoming an ordained minister and receiving complete information and Minister's Credentials, to send a 10^{00} tax deductible donation to the Universal Life Church, 1335 Seabright Ave., Dept. **8-01**, Santa Cruz, CA 95060

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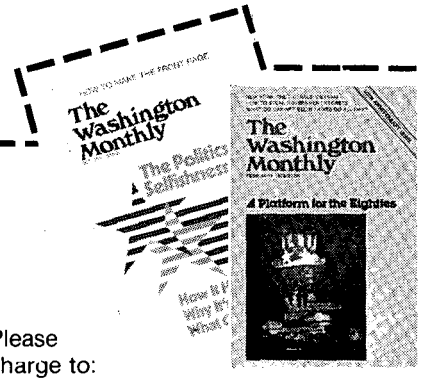

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